The Nation's Business

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Weak Spots Call for Leadership

IN HIS thought-provoking address at the annual meeting of the Canadian Bank of Commerce this week, Sydney H. Logan, president of the bank, named specifically three areas where "the reconstruction of the national economy" had been lamentably weak.

The three named were: railways, construction and public finance.

Said Mr. Logan:

"These ills will not, I fear, receive remedial treatment until it is impossible any longer to gloss over the weakening effects they are having on every other form of activity, collective and individual. "General recognition and public disapproval of the failure to cope with the fundamental difficulties in these departments of Canadian economy are necessary to hasten their solution."

The challenge which Mr. Logan lays down is essentially one for political leaders in every area of Canadian public life.

Politicians have too long allowed the railways to become an untouchable "sacred cow." Construction has suffered through unfair taxation which can only be relieved by the co-operative effort of all branches of government. Public finance has barely emerged (even in the municipal field) as an area where real statesmanship must be shown before relief can come to overburdened taxpayers.

Sooner or later "general recognition and public disapproval" of these problems will make itself felt. Political leadership, which substitutes direction for drift, and action for inertia, can greatly hasten the day when reconstruction can begin.

* * *

Premier Hepburn's Debt Nonsense

THE ability of Premier Mitchell Hepburn to keep in the news with statements which will attract the public attention is well known. This time he suggests there should be a national conversion of outstanding public debt. His comment as reported in the press is worth placing on the record.

"There should be a national conversion of our outstanding bonds, municipal, provincial and federal. This would save the taxpayers between 700 and 800 millions annually. And it wouldn't hurt anyone."

This statement contains some utter nonsense.

For one thing, the annual interest bill of all governmental bodies in Canada is less than half the latter figure.

* * *

AT THE beginning of 1938, the total debt of governmental bodies in Canada, including guaranteed debt, amounted to about $7,300 millions. Assuming the interest rate is 5%, then the annual interest would be only $365 millions. Actually, the average rate is less than 5%. For instance, the average rate on the Dominion Government's debt is 3.53%. The estimate of interest obligations on public debt for 1938, compiled for The Financial Post Business Year Book by A. E. Ames & Co., is $305 millions.

What, if anything, has Premier Hepburn in mind when he suggests a national conversion scheme for provincial and municipal debts?

Such a conversion scheme would not be possible without federal or joint federal-provincial control of municipal and provincial borrowings. It is likely that Mr. Hepburn, who hates the thought of increased powers for the national government, would reject that, although there are many arguments in its favor. When a loan council was proposed, Ontario was one of the provinces which rejected the idea and said it could, and would, meet its obligations in full.

Mr. Hepburn is on sound ground when he urges the need of lowering our tax and debt burden. But when he makes loose, nonsensical statements such as he did last week he belies his qualifications as head of a responsible provincial government.

* * *

Montreal Elects Camillien Houde

ELECTION of the veteran campaigner Camillien Houde as chief magistrate of Montreal is not likely to inspire investor confidence.

It is well known that the city is not in a sound financial position. It has a huge burden of debt. Its credit standing is far from that of many other Canadian cities.

During Mr. Houde's three previous terms as mayor there was an enormous increase in the city's debt. Proposals made in his campaign speeches would mean additional large increases.

Yet the major problem facing Montreal at the moment is how to reduce its debt and improve its credit. Pursuit of former policies would inevitably precipitate a financial crisis.

* * *

DURING 1939, Montreal will have to borrow between $15 and $20 millions to meet maturing loans and to finance relief and capital expenditures. The city's borrowings this year were not a marked success. Unless the new mayor and council show they intend to attack Montreal's financial problem in a constructive manner, then future loans may be even less successful.

Admittedly, Mayor-elect Houde

(Continued on page 2, col. 4)

M. & O. Plan May be Known Early in '39

Tangled Nature of Affairs Has Meant Delay But Progress Made

ASK FOR ACTION

Bondholders of Minnesota & Ontario Paper Co. can expect to have a plan of reorganization presented to them early in 1939, The Financial Post learns.

It is understood that the bondholders' protective committee is being pressed for some early action. It is not possible at this time to forecast what form the reorganization plan will take, but in view of the long period since the company defaulted in 1931, some action would be welcomed.

Revisions in the U. S. Bankruptcy Act which resulted in the adoption of the Chandler Act in September may have a bearing on plans for reorganization. This Act gives the trustee for bondholders the power to bring in a plan of its own, failing action by bondholders themselves. The Minnesota Loan and Trust Co., Minneapolis, trustee for holders of the 6% first mortgage bonds, is understood to be reluctant to take this type of action.

A move from the bondholders' protective committee is forecast before long. It is thought that this committee may first of all present its plan to the courts. Under the Chandler Act the courts have power to declare a plan of reorganization, which is deemed fair and equitable, binding on all classes of security holders and creditors involved. This provision, it is understood, was placed in the Act largely to give the courts power to prevent obstructive tactics by groups concerned. It is suggested that the committee representing the general creditors of Minnesota & Ontario may oppose any plan which bondholders may present.

Untangling Affairs

It is admitted that the somewhat disappointing progress being made by the newsprint industry to improve its position has had a good deal to do with the delay in the case of M. & O. Then to this must be added the complicated state of the company's affairs. The committee and others have made substantial progress in untangling these.

Another matter which has been under litigation for some time has been the matter of taxes. A considerable amount of this has been settled, mostly in company's favor.

Another source of difficulty is untangling the M. & O. Paper affairs has been the large number of subsidiary activities carried on by the company. For example, its sawmill operations have proved a source of large losses for some time past. In

(Continued on page 8)

Biltmore Hats Covers Dividend

Lower Sales Volume and Higher Costs Have Adverse Effect

Net profit of Biltmore Hats Ltd. for the year ended Nov. 30, 1938, was equivalent to 70 cents a share on the 80,000 common shares against $1.07 a share in 1937.

During the year the company redeemed all its 7% preferred at a cost of $222,090. To supply funds for the redemption, debentures were sold privately to realize $171,500 and the balance of $50,590 required taken from current resources. At the end of Nov., 1938, the company had $45,000 of 3½% serial debentures maturing May 31, 1939 to 1941; $30,000 of 3¾% serials due May 31, 1942 to 1943, and $100,000 of 4% debentures due May 31, 1944.

F. R. Ramsey, president, stated that the saving from this financing will in future years have a favorable effect on earnings.

Strike Cuts Sales

Mr. Ramsey comments that reduced earnings are the joint result of reduced sales volume together with higher manufacturing costs. During the past year the company's plant was closed for part of July because of a strike among employees. This materially affected the company's sales.

A dividend of 37½ cents a share has been declared payable Jan. 25, 1939, to shareholders of record Jan. 15. This brings total payments for the year to 62½ cents a share. Although last January the company paid a regular dividend of 25 cents a share, plus an extra of 12½ cents, the declaration of a single payment

(Continued on page 2, col. 3)

Youth — A Challenge To Leadership

Canada is a young country. One of its greatest assets is youth. Youth in development. Youth in outlook. Youth in population.

Yet youth without leadership, youth in idleness, is the grossest form of waste.

Until the 1930's, little thought was given in Canada to youth leadership. It was taken for granted that Canada, being a young man's country, would always have abundant opportunities for youth. Even the trek of some of our best-trained youth to the United States did not worry us greatly.

Then came the depression.

It aggravated a situation actually present since the war, namely, that Canadian industry, in the past 20 years, has fallen 10% short of absorbing the biological supply of Canadian youth. Thus the age at which Canadian youth becomes independent has been steadily increasing—with a corresponding pressure on the schools.

* * *

On top of this was the huge backlog of idleness created by the depression.

National Employment Commission figures showed almost a third of Canada's jobless between the ages of 16 and 25. Most of these had never worked in their lives. Most of them were technically unfitted for work. In addition, loafing and idleness was sapping their morale and physique.

British Columbia tried early to meet this challenge. In 1935 it instituted training projects to maintain health and morale and put youth to useful, constructive work. Then in 1937 the Dominion-provincial Youth Training Programme got under way with appointment of a full-time director at Ottawa and provision for any province to take advantage of the federal grant (on a dollar-for-dollar basis) by setting up its own organization within the broad purposes of the federal plan.

Credit is due the Dominion Government for having given leadership in this field. Even though the plan it sponsored was but a skeleton of the programme recommended to it by the Youth Employment Committee, appointed in September, 1936, as an offshoot of the National Employment Commission, it was at least a start in the right direction. The $1 million grant voted (but only partly used) in 1937-38 was increased to $1.5 million for 1938-39. Details of the plan are outlined elsewhere in this issue.

But much remains to be done.

* * * *

Ontario, for example, has shown a deplorable lack of leadership in implementing the plan provincially. To date it has used only 40% of its appropriation. Lack of trained, enthusiastic leadership has been a handicap from the first.

Very little has been done to "sell" the programme by a co-ordinated national effort embracing existing organizations now serving youth. If half the enthusiasm and sales effort which went to boost the original Home Improvement Plan campaign had been devoted to the Youth Training Programme, its benefits could have been magnified many fold.

Other suggestions which Canada has not faced include some type of national service corps for idle youth or adaption of the special youth employment service, working in close co-operation with the schools, which has proved of very great value in Great Britain.

If, as and when a national employment service is set up in Canada, a youth service along the lines of the British plan suggests itself as a highly important project.

* * * *

Any inventory of Canada's assets must list youth as one of the most vital in the balance sheet. Idle youths are not only a wasting asset, they are a tragic liability.

If not enlisted for citizenship; if not taught the joy of work and accomplishment they become disillusioned, bitter—a prey to agitators and social "saviors." Many go to fill our jails and corrective institutions, others join the shifting army of bitter, homeless transients.

Canada has been one of the last countries in the world to take the problem of youth leadership seriously. Almost every major state has within the past 20 years taken definite steps to improve the physique, skill and morale of its youth—apart from the regular routine of formal schooling.

Our place among the great democratic nations of the world depends on our ability to harness the brains, the enthusiasm, the genius and the brawn of our young men and women.

Here is a task worthy of the nation's greatest leadership.

Maturing Debt Forms Big Problem for B. C.

From Our Own Correspondent

VANCOUVER. — Now that the legislative session is over, Hon. John Hart, British Columbia's finance minister, will get to work on the biggest financing job that ever faced this province.

During the next four years British Columbia has to find the money to meet over $60 millions in maturing loans.

In addition to serial maturities totalling about $2 millions in the next four years, British Columbia has sinking fund loans totalling $8.3 millions maturing in 1939. Loans due in 1940 total $4.3 millions. In 1941 the unprecedented total of $24.5 millions matures and in 1942 a total of $20.4 millions. The 1942 maturities include $20.1 millions of Pacific Great Eastern Railway Bonds. While really guaranteed securities these are now considered direct obligations of the province.

There is also $1 million of Agriculture Credit Commission bonds, guaranteed by the province, which fall due in 1941. Sinking fund provided for these bonds amounts to $716,000.

Will Borrow Only Part

The problem of meeting $60 millions of maturing loans within the next four years is a difficult one for a province that was considered to be on the verge of bankruptcy a few years ago and which has not been able to balance its budget inclusive of relief costs. Actually, however, only part of this total will have to be obtained through resort to borrowing.

British Columbia is in the fortunate position of having a larger sinking fund than any other province in the Dominion. As at Oct. 1 last the sinking fund amounted to $37.3 millions.

As would be expected, the sinking fund contains a large amount of the bonds which mature within the next four years. In fact it contains over $25 millions of such bonds so that the net amount which will have to be refunded is around $35 millions.

Hopes For Adjustment

The Government is hoping it will not have to shoulder the whole burden of finding funds with which to meet these maturing loans. It expects an adjustment will be made as a result of the pending report of the Royal Commission on Dominion-Provincial Relations which will improve its finances. Its minimum hopes are that the Dominion will assume the entire cost of relief and cancel the relief debt owing by the province to the Dominion.

Public Waste — No. 4

Jobs That Multiply

In bygone days the Saskatchewan Government school book department was run at a minimum of expense with an off-peak staff of about three persons.

This department does the purchasing and selling of school books for the province.

During rush periods the staff is up to 12 or more persons. It is reduced as the rush recedes.

Today, we are told, there are six persons on full time in the department. Yet four, it is said, would be quite sufficient.

The lopping off process could

be in the higher salary brackets.

Last public accounts of the province show salaries in this department at $1,846. It is expected the next public accounts will show a salary total of more than $5,000 without the same increase in the amount of work done within the department.

This department has nothing to do with purchasing of books. It is a distribution agency True the department is handling many more and a wider variety of books than in the past, but there is still what is regarded a a discrepancy in the dollar value for work done today compared with the past.

Dom. Stores To Show Loss For the Year

Tonnage Sales Greater But Reduced Prices Cause Decline in Dollar Value

CURTAIL EXPENSES

Although tonnage volume of business has increased in the current year, reduction in the retail prices of foods is expected to cause Dominion Stores Ltd. to show a loss for the year, as compared with a net profit of $46,736 in the year ended Dec. 31, 1937.

The 24 weeks ended June 18 showed a net loss of $9,192 as compared with a net profit of $34,178 for the corresponding period last year.

The price situation shows no signs of improvement and it is believed that no appreciable betterment will occur in the remainder of the year.

Mild weather this fall has acted as a deterrent to business and sales, particularly in the four weeks period ended Nov. 5. During this period sales declined 10.22% over those of a similar period in 1937.

In the four weeks period ended Dec. 3 the decrease improved to 3.28%. For the year to Dec. 3 sales have shown a decrease of 3.88% over those of the same period in 1937.

There was a substantial pick-up of sales in the week ended Dec. 3, and an increase of 10.42% was shown over the corresponding week in the previous year.

Since 1929 the organization has experienced a decline in profits, which reached a low point in 1935. Improvements from this point occurred in subsequent years, but 1938 has been an unfavorable year because of competitive conditions in

(Continued on page 8)

Inter. Pete Net Has Fair Gain

Balance Sheet Reflects Resale of Half Mene Grande Contract

Annual report of International Petroleum Co. for the year ended June 30, 1938, shows a further moderate gain in net profits, as has been the case each year since the company published its first annual report four years ago. Net profits for the latest period were equivalent to $1.98 a share on the combined common and preferred shares. In preceding years, net has been equivalent to: 1937, $1.81; 1936, $1.65; 1935, $1.49.

Payment of the usual dividends and bonus, however, resulted in a reduction in surplus of $7.4 millions, leaving a balance of $34.3 millions in this account.

G. Harrison Smith, president, states that the company's accounts reflect its success in maintaining its position in the markets of South and Central America, the West Indies, North America and Europe. Continued economic improvement in Peru and Colombia resulted in sales of refined products in these two republics gaining 8.65% and 13.90% respectively.

Mene Grande Deal

Reference is made to the long-term contract negotiated a year ago, with the Mene Grande Oil Co., C. A. As previously reported in The Financial Post, this contract called for the purchase by International Petroleum of one half the future crude oil production of Mene Grande in Eastern and Western Venezuela. At the

(Continued on page 4, col. 4)

Highlights of the Week

The Dominion-Provincial plan to train Canada's unemployed youth is moving into its second year of operation. The story of what this programme is attempting to do and what has been done in youth training in other nations is told in *Canada Attacks—p. 11.*

* * *

Yet to be explored are vast areas in Canada's mining country. British investors are now turning to this continent as a safe place to put their wealth. *Is British Money Wanted?—p. 18.*

* * *

One of the most sensitive to commodity price changes is the stock of Consolidated Mining and Smelting Co., controlled by C.P.R. and one of the giants both of Canadian mining and of industry. *Millions in a Cent—p. 11.*

* * *

While Alberta's new treasury branches fulfill many of the normal functions of banks, a special feature of the scheme is the bonus to customers who direct one third of their purchases by voucher into Alberta-made goods. This in effect means a boost for provincial industry. See *Tariff Wall—p. 17.*

REGULAR FEATURES

Banking ... 17
Bond Markets ... 5
Commodities ... 15
Construction ... 10
Editorial ... 6
Insurance ... 16
Investment Trends ... 4
Investors' Enquiries ... 9
Market Opinions ... 4
Mining Enquiries ... 18
Pulp and Paper ... 13
Week in Business ... 7
Week in Mining ... 19
Week in Oils ... 19
Week in Wheat ... 15

Hon. R. J. Manion, federal Conservative leader, congratulates Col. George A. Drew on his election last week to leadership of the Ontario Conservative party. Col. Drew was elected on the first ballot.

Wheat Parley Agrees On Need for Markets

Wider Sale Rather Than Acreage Control Is Emphasized

By GORDON L. SMITH
Staff Writer, The Financial Post

WINNIPEG. — Any delegates to the Bracken Wheat Conference who expected unfolding of a cut-and-dried solution for Canada's wheat problem must have been disappointed. No concrete, dramatic solution was offered.

The problem has been years in the making and apparently is going to take just as long to untangle.

Delegates included spokesmen for eastern financial and industrial interests, the grain trade and western agricultural organizations. They were genuinely impressed with the ramifications of the task before them. There was, too, frequent reference to the sincerity of Premier Bracken in calling such a conference and at this particular time.

Nub of Problem

Briefly Canada's wheat problem, as outlined by Mr. Bracken and amplified by other speakers, is one of wider markets. Said Mr. Bracken: "We are producing three times as much wheat as is used in the whole of Canada, and in big years a good deal more. We need an average export market of 250 million bushels annually."

This year it is anticipated that Canada will have difficulty in exporting much over 150 million bushels. And following six years of less than average crops the natural expectation is that we are on the eve of a cycle of bountiful years.

The premier of Manitoba stressed the fact that this was a national not a western problem. Eastern interests were invited to this conference largely to emphasize this very point. Delegates were told that the 290,000 farmers of the West would be forced into other farm lines if wheat prices collapsed.

Threat to Eastern Farmers

While wheat was the natural, in fact the only feasible crop in sight for much of the southern prairies, mixed farming could be developed over large districts. If so developed it would soon bring new and serious competition to agriculture in other parts of Canada.

Domestic markets might be flooded with western beef, lamb, butter, cheese and poultry products. Canadian agriculture as a whole would be affected and through it general purchasing power throughout the Dominion.

In general discussion, Dr. W. A. Mackintosh, of Queen's University, refuted the suggestion that eastern industrialists were no longer interested in western problems. He pointed out, however, that this interest was not so concentrated as in the days when our only major export was wheat.

Other Strings to Bow

Now, he explained, there are our other strings to our bow, notably gold, base metals, and newsprint. Dr. Mackintosh added, however, that these relatively recent additions, especially the metals, were distinctly "wasting" natural resources; once dug up and exported, they were gone. This was in sharp contrast, he said, to the exporting of a natural product like wheat, which under careful farming might go on almost indefinitely.

He noted that in the last few years this country had discovered few new great sources of mineral wealth.

Oppose Acreage Cut

With such diversified interests as the pools, the grain trade, and the growers themselves all represented, naturally opinions were conflicting.

(Continued on page 2, col. 3)

Marcus Loew's May Offer Plan

It is understood that Canadian holders of preferred shares in Marcus Loew's Theatres have been assured by Nicholas M. Schenck, president, that some plan for settling these arrears will be forthcoming. This group was recently reported as having sharply criticized the company's reluctance to make larger cash payments toward the arrears on this stock.

Any such plan that does not provide for full payment of the arrears in cash is considered certain to meet with opposition from the Canadian group. The company's annual meeting is scheduled for Dec. 16 in Toronto and the matter should be discussed on that occasion.

Start Revision Of Drawbacks

Duty Rebate Schedule to be Fully Reviewed

From Our Own Correspondent

OTTAWA.—At the instigation of Finance Minister Dunning, the tariff board has undertaken review of the duty drawbacks on raw materials used in manufacture for home consumption.

It is a job which is likely to take the best part of a year so that no change will be made until the budget of 1940 at the earliest. The objective is a complete revision as well as a drastic curtailment of these drawbacks.

Two Groups

Drawbacks, or rebates of a percentage of duty paid on imports for specific purposes, are divided broadly into two classes:

1. Those on imported manufacturing materials or parts, when the finished article has been exported. These are designed to allow the manufacturer to compete in foreign markets on an equal basis with similar products of other countries.
2. Drawbacks which can be claimed by the importer on some 60 raw materials when he has shown that the import is used for the specific purpose mentioned in the schedule.

The second group of drawbacks fulfill the threefold purpose of:

(a) giving the manufacturer an even break where a similar finished product can be imported free into Canada;

(b) avoiding an unnecessary increase in production costs where the raw or semi-finished material is not produced in Canada;

(c) preventing the Canadian producer of raw materials from abusing any tariff privilege by holding up the Canadian manufacturer on price levels.

Many Items Obsolete

It is this second classification alone on which the tariff board will concentrate its attention. Many of the items have been on the list unchanged since 1906 and some of these have become obsolete and inoperative.

The drawback schedule, while it has been amended from time to time, has not kept pace with the changing tariff outlook.

A situation which has shown the

(Continued on page 2, col. 3)

Apt Answers for Merry Christmas

Probably many readers of The Financial Post, the busy men and women of Canada, have had little time yet to think about Christmas. But in spite of bonds and stocks and mines and politics, there are secretaries, grandmothers, wives, children and a host of others that can't be forgotten.

Throughout the year, The Financial Post is helpful with your business and investment problems. You read it for profit throughout the year. Now read it for profit in time saved, in value and quality gained.

In this issue, The Financial Post is helpful with your Christmas problems. Look through its advertising columns and you will see many apt and convenient answers to your Christmas shopping problems.

Current Trend For Newsprint Is Improved

Canadian Shipments Exceed Production During November

PROGRESS MADE

From Our Own Correspondent

MONTREAL. — Newsprint operations in Canada during November were the most encouraging of any month since the beginning of the year.

According to Newsprint Service Bureau, production last month totalled 245,295 tons. This was 9,577 tons less than in October and 19% below November, 1937. The operating ratio for the month was just short of 70% of capacity, or well above the average for the year to date.

More encouraging was the increase in shipments to 264,421 tons, or 9,321 tons more than in the preceding month, but still 26% below November, 1937, figures.

Other Areas Report

Last month the American mills produced 78,390 tons of newsprint paper, a decline of only 2.3% from the returns for the same month last year. Shipments were not quite so good, amounting to 76,278 tons, down from 83,887 tons a year ago.

The cumulative returns are now of interest as indicatiog the outcome for the full year. Canadian mills produced 2,414,827 tons in the 11 months period, a drop of 28% from that reported for the like period of 1937. These returns indicate that the output for the full year in this country is likely to be in the neighborhood of 2,650,000, or about 50,000 tons more than was forecast.

U. S. Decrease

The output in the United States to date totals 744,200 tons, a drop of 14.1% from the 1937 returns of 866,066 tons. Prospects are that the American mills will manufacture around 825,000 tons for all of 1938, compared with 945,721 tons in 1937. This will be the lowest figure reported by the American industry for the past several decades.

Newfoundland mills have turned out 241,649 tons to date, or 25.6% under the 1937 returns. It would appear for the full year the Island's two mills will produce about 270,000 tons, as against 350,142 tons last year.

The falling off in demand this year, due to the accumulation of stocks last year and the falling off in consumption, is illustrated by the following table:

Newsprint Shipments
(In tons, for 11 mos.)

From	U.S.A.	Domestic	Overseas
1938			
Canada	1,704,036	144,002	442,486
U. S.	738,603	......	......
Nfld.	52,500	525	183,745
1937			
Canada	2,615,623	191,930	501,711
U. S.	856,138	......	......
Nfld.	100,128	540	214,616

Drop in Stocks

Stocks of newsprint paper in the hands of manufacturers at the end of November totalled 245,415 tons. While this was a drop of around 23,000 tons from the figure reported at the close of October, it represents an increase of some 5,000 tons over the "normal."

At the close of October manufacturers' and publishers' stocks totalled 688,899 tons. This contrasted with 691,733 tons at the close of the previous month and with 877,519 tons at the beginning of the year.

A further improvement in consumption by American publishers in November is anticipated, judged by the increase in advertising linage.

Milling Firms Doing Better

Production in 1st Quarter Is Well Above Last Year's Level

From Our Own Correspondent

MONTREAL. — Results for the three months ended Nov. 30 bear out predictions that the current fiscal year, which began Sept. 1, will be a more satisfactory one for Canadian milling companies.

Both export and domestic business has been better and production for the quarter was well above the same period last year. In October the industry operated at 83.6% of capacity, compared with 71.7% in September and 35.5% in April, the low of the year. Flour output for the month was the heaviest October production in 10 years, amounting to 1,906,385 barrels. November figures are not available as yet, but production in that month is stated to have been near the October level.

Present indications are that the milling companies will show marked recovery in earnings from the low levels recorded in the year ended August 31 last. Operating conditions in 1937-38 were the most difficult in the history of the industry.

Conditions More Favorable

The principal adverse factor in 1937-38 was the short crop of Canadian wheat in 1937 which brought prices above world parity. Premiums demanded for high grade milling wheat were such that a normal profit could not be obtained. As Canadian wheat prices are now in line with world prices this adverse factor has been eliminated.

Abandonment of subsidized exports to Great Britain by United States as a result of sale of 20 million bushels of U. S. wheat to U. K. millers should benefit the milling companies. On a quality basis the Canadian companies have no fear of U. S. competition in the British market.

Last days before Christmas, and "Her" gift still to choose . . . that's

when a Man needs EATON'S

No further than EATON'S Main Floor, Main Store are "finds" for "her" like these . . . and more galore:

HER CHRISTMAS STOCKING . . . (and a dozen pairs would impress her) in 3-thread sheer chiffon, 6-thread daytime crepe, or 10-thread heavy service full-fashioned real silk — in shades like Charm, Praline, and Mist Beige, sizes 8½ to 10½ . . . lovely in exclusive *Mayfair* **HOSIERY** . . . pair 1.25, 2 pairs 2.40.*

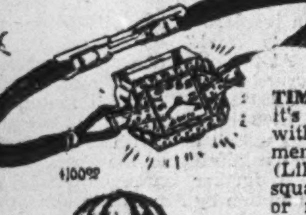
YONGE STREET

A HAND-SOME PAIR . . . of gloves is a classic lady-gift, especially in fine quality French suede, 6-button length with one-button at wrist — black, brown, eggshell, beige, white, sizes 6 to 7½—light shades washable—and an EATON exclusive in Canada from **FOWNES GLOVES** . . . pair 3.85.*

YONGE STREET

SHOWERS OF APPLAUSE . . . should welcome a bright rainy-day idea like this — that folds into a zipped-up case barely 12 inches long — that opens out to full size to fend off the rains—that comes in a smart allover patterned black, brown or navy rayon. Yes! it's a **FOLDING UMBRELLA** . . . each 5.00.*

YONGE STREET



TIME IS SO PRECIOUS . . . when it's on her wrist and ticked off with a fine 17-jewel Rolex movement—housed in a platinum case (Lilliputian sized) in the new square shape and set—believe it or not — with 20 diamonds! Indeed, the gift de luxe, this **DIAMOND WRIST WATCH** . . . each 100.00.

YONGE STREET

NO SCENTS ARE NONSENSE . . . from the feminine point of view — not if they're made and bottled in Paris, in charming little bottles to grace a dressing table—and as refreshing and light as a whiff from a flower garden. From 2 drachms to 2 ounces. **HOUBIGANT'S "QUELQUES FLEURS"** . . . bottle 1.00 to 7.50.

TOILETRIES, JAMES STREET

THROUGH A LOOKING GLASS . . . with its accompaniment of brush and comb, you may prove yourself a person of taste—if you select all three in English hall-marked sterling silver in the new "Lafayette" pattern shown. Her choice of one initial on each. **3-PIECE STERLING TOILET SET** . . . set 35.00.

YONGE AND ALBERT STREETS

NO READING BETWEEN THE LINES . . . will be needed to appreciate the personal thought in the books you give her — if you cast aside all worry about titles and, instead, summarize the interests and hobbies and tastes of the lady in question, leaving the book choice to **OUR BOOK ADVISER** . . . in the Bookroom.

JAMES STREET

*Also at EATON'S-COLLEGE STREET

T. EATON Co. Limited

Newfoundland Fish Catch Up

Exports Also Show Increase Over Same Period of Last Year

Newfoundland's codfish catch this year has been larger than in 1937. Exports of codfish have also increased.

According to an estimate made by the Newfoundland Fisheries Board, the codfish catch to the end of October amounted to 1,111,621 quintals. This is an increase of 251,000 quintals over the same period of 1937. In fact, the catch in the first 10 months was greater than the catch for the entire 12 months of 1937. It is expected that the catch this year will total at least 1,250,000 quintals.

While there has been an increase of 250,000 quintals in the catch, stocks on hand show an increase of only 44,637 quintals. On Oct. 31 stocks amounted to 179,453 quintals of shore fish, 27,164 quintals of bank fish and 208,608 quintals of Newfoundland and Labrador soft cure, total of 415,223 quintals. On Oct. 31, 1937, stocks amounted to 370,586 quintals.

In October a total of 219,861 quintals were exported, an increase of 86,000 quintals over the same month last year. Exports in the first four months of the current fiscal year total 486,806 quintals as compared with 346,351 quintals in the same period of 1937.

Exports in the first 10 months of the current calendar year total 925,660 quintals, made up of 599,196 quintals of shore fish, 191,335 quintals of Labrador fish and 135,139 quintals of salt bulk.

Start Revision Of Drawbacks

(Continued from page 1)

need for revision of the drawbacks has been their relation to the British preferential tariff.

One change which might be made where the drawback is nullifying the British preference margin is, of course, to confine the drawback privilege to the British import. A fairer, though more complicated plan, would be to apply a greater drawback to the British import keeping it in inverse proportion to the duties under British intermediate and general tariffs.

Two specific items have been mentioned in the terms of reference which Mr. Dunning has given to the tariff board. These are items 1019 and 1049, both dealing with bituminous coal for coke manufacture. It is understood that pressure has been brought on the Government by Canadian coal producers in the Maritimes and Alberta.

Biltmore Hats Covers Dividend

(Continued from page 1)

of 37½ cents now does not mean a regular rate of 75 cents a share annually.

Income and Surplus Account Years Ended Nov. 30

	1938 $	1937 $
Total earnings	126,725	178,318
Less: Directors' fees	100	200
Exec. salaries	26,400	26,400
Legal fees & exps.	216	121
Depreciation	22,079	21,981
Deb. interest	3,350	......
S. L. P. fees & exp.	......	503
Income taxes	12,973	20,107
Net profit	61,607	109,006
Less dividends:		
Preferred	5,856	14,196
Common	50,000	50,000
Red. pfd. shs.	......	9,245
Surplus for year	5,751	35,565
Add: Prev. surplus	221,313	188,110
Surplus adjust. (net)	14,095	......
Less: Deb. commiss.	3,500	......
Addit. inc. tax	362	2,362
Surplus forward	237,297	221,313

Working Capital

	1938 $	1937 $
Current assets	438,819	486,412
Current liabilities	22,653	43,206
Working capital	416,166	443,206

Parley Agrees Markets Needed

(Continued from page 1)

But on one point all three groups seemed in definite agreement. This was the conclusion that any attempt at acreage control would be futile and dangerous.

"Had we adopted any such thing," stated J. H. Wesson, president of the Saskatchewan Wheat Pool, "and had it proved successful, then the world would have faced a wheat famine in 1936 and 1937."

For proof he pointed to one of Sanford Evans's charts of Canadian wheat crops. This showed harvests running from last year's low of well under 175 million bushels to the 1928 high of 566 million. Both totals came from practically the same acreage.

All were agreed, too, that any successful solution depended upon Canada regaining her lost wheat markets in western Europe, and particularly in Germany and Italy. So long as the Governments of these countries forced their citizens to pay around $2 per bushel for their wheat —"luxury prices" Sanford Evans called them—then those markets were barred.

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Memorandum incorporating information contained in latest reports available on request.

Ask for Memorandum P27

Greenshields & Co
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507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE

119

The Nation's Business

(Continued from page 1)

has a difficult task, especially as he is a political enemy of Quebec's Premier Maurice Duplessis. One alternative suggested is that the Premier will checkmate the new mayor by putting the city's finances in the hands of a provincially-appointed finance commission. Such a plan seems inevitable unless Mr. Houde takes immediate steps to improve the city's credit.

• • •

Alberta's Domain Now Full-time Job

ALBERTA is taking a leaf out of British Columbia's book and seeking extension of its provincial boundary northward. A year ago, Premier T. D. Pattullo of British Columbia proposed the Dominion should hand over to his province part of the Northwest Territories and the Yukon. Premier William Aberhart of Alberta now wants the northern boundary of his province extended to the Arctic Ocean.

Both the British Columbia and Alberta premiers think the undeveloped resources of the northern areas will mean greater wealth for their provinces in the future.

However, there is another aspect of the situation to consider.

The cost of provincial administration in this sparsely populated area will be large. The one complaint made by British Columbia to the Royal Commission on Dominion-Provincial Relations was the high cost of administering its thinly populated areas. The Yukon and the Northwest Territories may contain considerable undeveloped mineral deposits but the cost of development will be high.

The Alberta Government has a full-time job on its hands administering its present 225,000 square miles without reaching for more territory at the present time.

Branches of Drug Firm Have Dummy Addresses

From Our Own Correspondent

MONTREAL. — Invesigations in connection with the bankruptcy of McKesson and Robbins Inc., large U. S. drug concern, have extended into Canada.

In order to find the $18 millions of missing assets examination is being made of the company's Canadian connections. To date, however, no trace of the missing assets has been found.

Investigations have revealed, however, that the company's Canadian connections are little more than dummy companies. This is true of A. H. Raymond & Co. and B. Pierson & Co., Montreal firms, which were said to hold a large part of the company's crude drug inventory in their warehouses. No trace of the warehouses has been found.

Dummy Address In Montreal

The Montreal address of A. H. Raymond & Co. has turned out to be the office of a public stenographer who forwarded all mail for the company to New York. B. Pierson & Co. is non-existent as far as can be ascertained. Two other Montreal concerns—W. W. Smith & Co. and Manning & Co.—are connected with the tangled affairs of the drug concern. While these companies had office addresses in Montreal they did practically no business here.

W. W. Smith & Co., which moved here from New York in 1934, were sales and purchasing agents for the crude drug department of McKesson & Robbins Inc., receiving three quarters of 1% on the sale of drugs for the concern in all parts of the world. Last year it received $160,000 in sales commissions.

Each month Smith & Co. send McKesson & Robbins a monthly statement of alleged sales. Bills were sent out on a McKesson & Robbins letterhead and were payable through the Montreal office of Manning & Co. as banking agents. Miss Violet Quesnot, was manager of the Montreal offices of both these concerns and got her instructions from principals in New York.

Investigators from the New York District Attorney's office are at present in Montreal. An investigation is also under way by the Attorney-General's department of the Quebec Government.

The Canadian investigation may be extended to Toronto and Ottawa. H. Monroe & Co., Toronto, and B. Miller & Co., and B. C. Reynolds & Co. of Ottawa are also affiliated with the bankrupt drug concern.

Bay-Cumberland to Pay No. 13 Coupon on Bonds

In announcing payment on the 6½% first mortgage bonds of Bay-Cumberland Properties Ltd., the company states that all taxes and current accounts are paid. The building is fully occupied, but the automobile showroom and garage in the rear of the property is only on a month-to-month basis at a low rental.

Coupon No. 13, dated Oct. 1, 1935, will be paid from Dec. 15.

Russell Industries Pays $1 a Share Extra

Russell Industries Ltd. have declared an extra dividend of $1 a share along with the regular quarterly dividend of $1.50 a share on its common stock, payable Dec. 31, 1938 to shareholders of record Dec. 15. Regular quarterly payments of $1.75 a share on the preferred will also be made on the same date.

The latest declaration will bring total dividends paid on the common for 1938 to $7 a share, an increase of $1 a share over total dividends and bonus paid for 1937.

Eastern Car Pays Regular

Eastern Car Co., subsidiary of Dominion Steel & Coal Corp., paid the regular 6% annual dividend on its preference shares on Dec. 15, 1938 On July 4, 1938, the company paid off all outstanding arrears on this stock amounting to $30 a share and covering the five years ending Dec. 31, 1937.

Montreal Stock Values Drop During November

From Our Own Correspondent

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and the Montreal Curb Market had a total value of $7,401,825,972 as at Nov. 30, 1938, a drop of $120,978,331 from the previous month when values totalled $7,522,804,303. Compared with the end of November a year ago the total value showed an improvement of $768,230,760.

Of the 21 classifications, only four were higher at the end of November than at the close of October. A loss would have been shown in the iron, coal and steel section if Algoma Steel Corp. Limited common and preferred shares had not been listed during November. In no case did group losses exceed 10%, and gains were also narrow.

Zeller's Stock Listed On Montreal Board

MONTREAL. — Montreal Stock Exchange has called for trading, the capital stock of Zeller's Ltd. The listing covers 30,000 shares of 6% cumulative redeemable preferred stock of $25 par value and 125,000 shares no par value common stock, all of which are issued and outstanding.

Zeller's was originally incorporated in 1931 and the present capital structure dates from Aug., 1937. The company has paid dividends since June 15, 1935, and dividends on the present preferred stock have been paid quarterly since Feb. 1, 1938. No dividends have been paid on the common stock to date.

Investors' Index

INDUSTRIALS AND UTILITIES

Algoma Cons.	18	Gypsum, Lime	9
Bruck Silk	9	Hiram Walker	8
Brazilian	9	Harding Carpet.	5
Burns & Co.	9	Hamilton Cotton	10
Britcan	10	Int. Bronze Pdrs.	10
Bk. of Montreal	17	Internat'l. Pete.	1
Bk. of Canada	17	Internat'l. Paints	8
Bowater-Lloyd	12	Investors' Synd.	9
Brant. Cordage	16	Invest. Found.	13
Blue Ribbon	7	Jantzen	16
Brazilian	7	Jam. Pub. Serv.	10
Biltmore Hats	1	Loew's London	16
Bay-Cumberland	2	Laura Secord	9
Can. Bakeries	15	Louisiana Land	8
Candn. Dredge	4	Loblaw	4
Consol. Sand	8	Mutual Life	16
Carnation Co. 4,	10	Marcus Loew's	1
Canadian Tube	10	M. & O. Paper	1
Cub Aircraft	10	Northwest. Mut.	16
Can. Assoc. Air.	17	National Grocers	4
Capital W. Cloth	13	N. B. Railway	5
Cartier Wax Pap.	10	Nat'l. Sewer P.	3
Candn. Int. Pap.	18	Ott. L. H. & Pr.	10
Can. Pub. Serv.	16	Ottawa Light.	5
Canada Dry	16	Preston E. Dome	15
Can. Bk. Comm.	12	Queen's Hotel	9
Dryden Paper	13	Russell Indust.	2
Desco	9	Supertest Pete.	10
Dumarts	10	Sterling Trusts	3
Dominion Coal	10	Stand. Chemical	9
David et Frere	9	Sher.-Williams	9
Dom. Stores	8	Southland Paper	13
Dom. Stores	1, 8	Sec. Hold. Corp.	13
Eastern Car	2	Thayers	17
Fleet Aircraft	15	W. Can. Hyd.-El.	10
Famous Players	10	Western Bridge	10
Gatineau	2	Zeller's	2

MINES AND OILS

Adanac Quebec	20	Malartic Gold F.	20
Amm	20	Mining Corp.	18
Baghdad-Larder	20	Macassa	19
Buckeye	18	New Darwin	20
Brownlee	18	New Gold. Rose	20
Beanland	20	Northern Metals	18
Consol. Smelters	11	Orenda	20
Can. Dredge	4	Privateer	19
Cariboo Gold Q.	19	Pioneer	19
Cariboo-Hudson	20	Perron	19
Clear Lake	20	Payore	20
Central Duverny	20	Quebec Gold	20
Don Martic	20	Rand Malartic	20
Fiobec	20	Red Lake G. S.	20
Firestone Pete.	18	Stewart-Abate	20
Golden Arrow	20	St. Anthony	20
Galore	20	Shenango	20
Goldale Mines	19	Sand River	19
Gurney Gold	19	Sheep Creek	19
Golden Gate	19	Sturgeon River	19
Hartford-Mac.	20	Silbak-Premier	19
Hollinger	20	Sunbeam-Kirk.	20
Hedley Mascot	20	Siscoe	19
Island Mountain	19	Snow Shoe	20
Janus	20	Toburn	19
Kelly-Kirkland	20	Toburn	20
Koot. Florence	20	Upper Seine	20
Kenabeck	18	United Oils	19
Kootenay Belle	19	Ventures	20
Lapa Cadillac	20	White-Guyatt	20
Leitch	19	Wesley Gold	20
Laguna	19	Wood Cadillac	20
Manco	20	Wood Brown	20
Mineral Estates	20	Wendigo	19
Minto (B.C.)	20	Yama	19
Matachewan H.	20	Zonic-Larder	20

QUOTATIONS

Bonds	14, 18	Industrials	14
Grain	15	Mines & Oils	14
Foreign Exchange	7		

Gatineau Net Gains Slightly in Quarter

From Our Own Correspondent

MONTREAL. — Gatineau Power Co.'s consolidated gross revenue for quarter ended Sept. 30 last, at $2,188,580 shows a slight increase over that for the like period a year ago. Much of the gain was offset by larger operating expenses, leaving net income before interest, depreciation and dividends at $1,784,711, compared with $1,782,914 in the third quarter of last year. After providing for senior charges, balance available for dividends totalled $459,060, as against $410,128 in 1937.

In his report, Gordon Gale, president, says that on Oct. 1 deliveries to Ontario Hydro under the 60-cycle contract increased from 42,000 to 60,000 h.p., and on Nov. 1 deliveries under the 25-cycle contract were increased from 165,000 to 200,000 h.p. The resultant increase in revenues will be partially offset by reductions in the standby and reserve power charges, and in revenue from power sold for generation of steam.

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COMPLIMENTS OF THE SEASON

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Renfrew, Ont.	Dec.	Harrison & Co.	3½%	20-ins.	$52,000	101.16	3.375%
Mun. of Loretteville, P.Q.	Dec.	La Corp. de Prets de Quebec	4%	1939-58	10,000	98.15	.....
Greater Vancouver Water District, B.C.	Dec.	Dominion Securities, Pemberton & Son, and Syndicate	4%	25-yr. ser.	250,000	.....	.....
Provincial—							
Ontario	Dec.	Syndicate of invest. dealers & banks	3%	1949	16,500,000	*99.50	3.05%

*Offering price.

This issue having been sold privately by us some time ago, this advertisement appears merely as a matter of record in connection with the listing of the shares on the Montreal Stock Exchange.

8,300 Shares 6% Preferred Stock
25,000 Shares Common Stock

Zeller's Limited

Incorporated under the laws of the Dominion of Canada

ISSUED SHARE CAPITALIZATION

6% Cumulative Redeemable Preferred Stock ($25 Par Value) 30,000 Shares
Common Stock (No Par Value) .... 125,000 Shares

Prospectus was filed under the provisions of the Companies' Act, 1934, and Amendments at the time of sale. Copies may be had on request.

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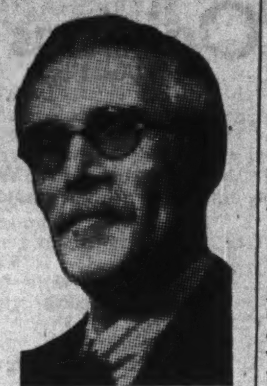
London Calling

by Atticus

Britain Cannot Sidestep the Problem of Jewish Refugees
House of Commons Faces Up to Situation in Palestine

MALCOLM MACDONALD



HUGH DENT

LONDON.—It is the habit of the indefatigable Dr. Goebbels to assert that Germany's attitude toward her Jewish nationals is solely the concern of the German nation. That statement does less than justice to the Propaganda Minister's knowledge of history or human nature. Putting the whole matter in its most elemental form, it is palpably impossible to drive many thousands of penniless men and women out of a country without it becoming a matter of immediate concern to the entire civilized world.

Thus we cannot escape this anxious and pitiful human problem in Britain. Vicki Baum is not an authoress of great depth, but her statement that, "To be a Jew is a destiny," takes on a fresh significance in these days. I find myself wondering how Benjamin Disraeli would comport himself were he in Parliament now. There is a doubt whether it was in reply to Daniel O'Connell or someone else that he said these famous words, but that is unimportant:

"Yes, I am a Jew, and when the ancestors of the Right Honorable gentlemen were brutal savages in an unknown island, mine were priests in the temple of Solomon."

John Galsworthy paid his fellow author the compliment many years later of adapting that speech to his play "Loyalties." If I remember correctly the actual lines in the play were: "You call me a damned Jew. My race was old when you were all savages. I am proud to be a Jew."

Heinrich Heine, one of Germany's great ones who have now been officially removed from their place in the nation's gratitude, complained that a wealthy man of his creed was always spoken of as an Israelite. But if he were poor he was called a Jew. At least Heine could not complain of that discrimination today were his shade to revisit the Fatherland.

There is hardly a writer or philosopher who has not at some time bent his mind to the study of the tragedy of the Jewish race, yet it is left to Shakespeare to have put into the mouth of Shylock the words which most pointedly apply to the situation of today:

"If you poison us do we not die? And if you wrong us shall we not revenge?"

* * *

Palestine in Parliament

The debate on Palestine revealed the House of Commons at its best. Of necessity these notes must deal only with the most prominent figures that occupy the centre of the stage, yet I must pay tribute to a Socialist back bencher in the person of Commander Fletcher. No one can be more sneering on occasion than the honorable and gallant member for Nuneaton and his speech on the B.B.C. a couple of years ago established an almost unchallengeable record in bad taste.

In this debate, however, he told of his recent visit to Palestine and paid so compelling and sincere a tribute to the honor and courage of British officials there that the whole House took the former Naval officer to its heart. Perhaps our ears are not used to such words these days when every detractor of Britain is given a platform and those who would extol the qualities of our race are looked upon as intellectually bankrupt.

There was also a moving moment when Malcolm MacDonald came to the last few words of his speech. It seemed to me that I sensed a special sympathy toward the youthful Secretary of State which was not unrelated to the recent biographical attack upon his father which is much resented at Westminster. Confidential secretaries who find it possible to work with a man when he is alive and then strip the covering from his body when he is dead, must not wonder if they fail to inspire the enthusiasm which they had led themselves to expect.

"I cannot remember a time," said Malcolm MacDonald, speaking slowly and carefully choosing his words, "when I did not hear about Palestine. I cannot remember a time when I was not told stories about Nazareth and Galilee about Jerusalem and Bethlehem, where was born the Prince of Peace. This House, in its long history, has had placed in its keeping many noble trusts, but it has never had a trust so sacred as that of restoring peace and goodwill in the Holy Land."

Hearing this from the member of a ministry which is peculiarly suspicious of emotion or expressed idealism, the House responded generously and even gratefully. Undoubtedly the constructive atmosphere of the remainder of the debate was much influenced by the son of Ramsay MacDonald.

* * *

Jew With a Burden

Prior to this, Dr. Weizmann came to Westminster and talked to a few of us about the problems of Palestine. I had lunched with him at Victor Cazalet's house just before he went out to Palestine on his last visit there and it was impossible not to note the toll which the Jewish tragedy has taken of this remarkable man's vitality. He is a man of considerable physical strength, despite a striking similarity to the rather frail Lenin, and normally his vitality and wit are infectious.

The other day he talked like a man who feels that life and history are bearing mercilessly upon his shoulders. His services to Great Britain in the war were, of course, invaluable. By a successful invention he was able to supply an ingredient for the manufacturing of high explosives which had become exhausted. Mr. Lloyd George, at the time, declared that Dr. Weizmann had saved the British Army. Even allowing for the famous Welshman's enthusiasm for Judea it is good to remind ourselves at this time of the services which the Jewish race has rendered to Britain.

Nevertheless I doubt whether Dr. Weizmann is serving his own race to the best advantage in this crisis. His lack of enthusiasm for the suggested emigration to British Guiana and other colonies and his plea for the young Jew as a townsman rather than an agriculturist are merely adding difficulties to a situation which is already richly supplied with them.

* * *

Publishing Dynasty

There is no profession—or industry, if you like—in which the son follows the father more naturally than in book publishing. But then who can wonder at it! A child, long before he can read, will fondle books and gurgle incoherent endearments to them. The mystery of what is hidden inside its covers lures us all, even if the treasure, when discovered, does not justify the search.

Unfortunately, though, there seems a fate that interferes with direct succession in our great publishing families. Already there are a number of famous firms whose names are known to everyone but who cannot boast a bearer of that name any longer. The death of Mr. Hugh A. Dent adds to the dynasties in which there is no son to succeed the father. But his nephew, Mr. A. J. Martin Dent, will keep alive the association of the family and the publishing house.

Mr. Hugh Dent not only loved books for themselves but he had a high sense of the publisher's mission. It was his father who conceived and carried through the idea of a popular, democratic series of books at cheap prices, a Universal Library for Every Man. I remember Mr. Hugh Dent saying more than 10 years ago that since the scheme was launched by his father some 21 million volumes had ben sold in a period of roughly 21 years. Books in those days were expensive affairs and it was a matter of importance that a cheap universal edition should carry the riches of the mind to the poor in pocket.

Mr. Dent regarded his father's dream as a legacy of work which he had to carry on. In furthering that he determined to extend his influence and interests to the Dominions, realizing that literature is one of the most potent factors in binding a scattered race of people in a common understanding. If publishing had not captured his soul I think he would have liked to have lived in the country or on the sea. His brisk friendliness and his quick movements always gave the impression of a man who had fought and loved the wind and the rain.

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Ontario Tories Hope to Find Unity Under New Leader

Ontario Conservatives, suffering from disunity within their ranks, left the party convention last week in Toronto hopeful that party feuds had been buried and that unity would be found behind the new leader.

Remnants of the Old Guard who had strongly opposed selection of Col. George A. Drew, bowed to the overwhelming majority of the convention and promised their support to the new leader.

To Col. Drew will fall the task of rebuilding a party organization still demoralized from two severe election defeats. But the tone of the convention indicated that in this task the colonel will have co-operation, rather than the resistance predicted before the convention.

Wider Issues at Stake

On the leader's success in rebuilding the morale of his party depend wider issues than provincial politics. Ontario has long been the key province in the Federal political organization and the success of the party federally as well as provincially is considered at stake.

The movement that gave Col. Drew such a sweepng majority at the convention is considered largely a youth movement. The new leader has the support of the yonger men in the party eager to cut loose from ties that were considered embarrassing in the last election.

While the convention - framed party programme was stereotyped, one plank in the platform is believed to have definite significance. That is the national unity plank and it may point to the major issue in the next election.

Drew For Unity

It is known that Col. Drew is strongly opposed to the provincial rights stand taken by Premier Hepburn; that he is solidly for national unity. With the split widening between the Ottawa and Ontario governments, national unity shows every indication of becoming a major election issue.

On another point of national significance the Convention declared itself reservedly. It came out in favor of the St. Lawrence Seaway which the Ontario Government has opposed, but came out only in a guarded manner. The party favors "preservation for the benefit of the people of Ontario of provincial power resources . . . and is prepared to co-operate with the Dominion Government to that end."

Elected Montreal Curb

From Our Own Correspondent

MONTREAL.—John C. Kaufmann has been elected a member of the Montreal Curb Market.

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Bargaining Rights Limited To Established B. C. Unions

From Our Own Correspondent

VANCOUVER.—Labor unions already established in British Columbia will retain their bargaining rights, but new unions will be deprived of this authority, according to an amendment to the Provincial Labor Act adopted by the legislature.

The amendment was attacked in the house by Socialists who claimed that it was aimed at the C.I.O. The Lewis organization has so far gained little headway in British Columbia, and most of its efforts to organize have been accompanied by conflict.

Hon. George S. Pearson, Minister of Labor, says that the new amendment was framed at the request of union representatives.

Deadline for the formation of unions authorized to carry on collective bargaining was Dec. 8, 1938.

Kamloops, B.C.—Collection of current taxes by the city this year has been on a par with the corresponding period of 1937, while payment on arrears has been higher, resulting in aggregate collections 1.34% greater than last year.

Sterling Trusts Earnings Higher

Improved Investment Income Permits Payment of Higher Dividend

The Sterling Trusts Corp. will probably report net profits for 1938 somewhat higher than were shown for 1937, officials indicate. Most of the improvement has come from a better return from investments. Securities which were in default or paying only reduced rates have improved in the past year or two and income from this source is better.

In 1937 Sterling Trusts earned $3.16 a share on its common and paid $2 a share in dividends.

It is understood that this matter of improvement in investment income has had more to do with the company's earnings than has general business. Some betterment in collections from mortgages in Western Canada has been noticed this year but Sterling Trusts does not hold sufficient in this area to make any material difference in its earnings.

One section of the company's business to show up favorably in recent years has been the guaranteed trust certificates. It is only in the past few years that this department has been pushed so that Sterling Trusts has been able to take advantage of low interest rates prevailing. At the end of 1931, the company had only $595,878 in guaranteed trust certificates outstanding but this had grown to $1.6 million by the end of 1937.

Evidence of the better earnings and conditions is seen in the declaration of a dividend of $1.50 a share, payable Jan. 3, 1939, to shareholders of record Dec. 20. Since the beginning of 1937 semi-annual dividends of $1 a share have been paid.

Consol. Sand & Gravel Dividend $1.75 a Share

A dividend of $1.75 a share has been declared on the preference stock of Consolidated Sand and Gravel, payable Dec. 28, 1938, to shareholders of record Dec. 20. This payment will leave arrears of dividends at $33 a share. A dividend of $2.50 a share was paid for the six months ending Aug. 15, 1938. A year ago on Dec. 15, $7 a share was paid. The company is a subsidiary of Standard Paving & Materials.

The Toronto Stock Exchange has been notified that 179 preference shares of Consolidated Sand and Gravel have been redeemed, reducing preference to 7,694 shares outstanding.

Strike Outbreaks Fall To Low Ebb in Canada

Volume of labor trouble in Canada during November fell to an extremely low ebb, in comparison with either November of last year or October, 1938. The total of workers involved fell to less than 400, only one fifteenth the figure for November, 1937, and the loss of working time showed almost the same shrinkage.

Settlement during the month left only four disputes, involving 174 workers, carried over into December. The only strikes of any importance during November involved leather workers in Montreal and lime plant workers at Blubber Bay, B.C.

Strikes in Canada

	Nov. 1938	Nov. 1937	Oct. 1938
No. of strikes	7	27	31
No. workers involved	392	6,277	3,146
Time loss*	3,150	42,007	18,122

*Man-working days.

National Sewer Pipe To Have Exec. Committee

Directors of National Sewer Pipe Co., at the annual meeting on Dec. 8, 1938, were given power to delegate their authority to an executive committee composed of three members. The members of the executive committee have not yet been selected.

Charles H. Wallace, general sales manager, was elected vice-president of the company, replacing J. R. L. Starr, K.C. Directors of the company, in addition to the above, include Col. Hon. Henry Cockshutt, chairman of the board, Brantford; Ryland H. New, H. F. Dingledine, F. J. Coombs, H. A. Hall, K.C., Toronto.

This advertisement, building public good will for retailers everywhere, will be seen by families throughout the Dominion. See it in brilliant colors in Maclean's Magazine, December 1.

NOW, at Christmas Time, the stores of Canada again play Santa Claus to the nation. Their vital, friendly influence is felt in every community. Crowds of holiday shoppers fill their aisles, and *"serve the customer"* is the watchword of the hour.

In the service end of Christmas selling, International Trucks play the role of Santa's sleigh to perfection just as they give star performance the year 'round for merchants in every merchandising field. Retail establishments of every kind rely on these famous trucks for unfailing delivery service, *and they get it.* Powerful, flexible and fast, these Light Delivery Units travel their routes *on schedule* at lowest cost per parcel and per mile.

Take stock of your hauling problems now, and in 1939 let Internationals add the prestige of their looks and the economy of their performance to the profits of your business . . . *Merry Christmas!*

INTERNATIONAL HARVESTER COMPANY of Canada, Limited

HAMILTON ONTARIO

Truck Factory Located at Chatham, Ontario

INTERNATIONAL TRUCKS

You'll Enjoy Christmas Shopping at Simpson's!

Candlelight Glamor

Bring a glow to your lady's eyes with one of those luxurious gifts that give her the glamor she loves at home. Our Christmas housecoats, hostess gowns and negligees are specially alluring—typically Simpson's.

A. Romantic and utterly feminine in white quilted satin figured with pastel-shaded Dresden nosegays and lined with "heavenly-blue" taffeta. The 1890 sleeves add to its quaint charm. Size 16. $45.

B. The ultra-smart monastic silhouette interpreted in a glamorous hostess gown—your lady would love this last minute fashion. In crepe, a bi-color study in cyclamen and deep Burgundy. Size 16. $45.

C. Glowing slipper satin in a negligee that will look very much at home by a grate-fire. Padded motifs trim it. Versailles rose, size 16; dusty pink, powder blue or dark blue in size 14; steel blue or Burgundy in size 18. 19.75.

D. This hostess gown might have stepped right out of a Victoria boudoir. In "Queen Mary" blue, it has all the ruffles, the velvet bows, the lace frills of the "gay nineties." Size 14. 39.50.

Negligee Shop, Second Floor.

Investment Trends

Moderate Rise in Stocks Forecast for Coming Year

Canadian Investment Economist Sees Balance of Factors Favoring Renewed Recovery in Business and Profits

That the stock market in 1939 will continue in the direction of recovery and greater activity, reaching a culmination somewhere in the 1940's, is the prediction of a well-known Canadian investment economist.

This encouraging prediction, however, is hedged by the proviso that no further shock to economic and political affairs comes from a recurrence of disturbing international events such as 1938 saw.

This student of investment affairs is counting on rise in business volume, modest changes in finished goods' prices and improvement in profit margins. He sees as favorable factors supporting the premise that fundamental economic factors are favorable for business recovery, the following: Private indebtedness is largely deflated. Substantial deferred demand for goods and services exists on the basis that replacement has not kept pace with gains in population and continual obsolescence and depreciation. Credit supplies are ample, money rates low and raw materials abundant at relatively low prices. In only a few cases does the problem of too great inventories threaten to curtail production and employment.

On the unfavorable side, although the balance leans toward the factors already mentioned, are placed the precarious condition of international political relationships, low volume of international trade, threat of currency instability and government intervention through the mediums of taxes and limitation of profit margins.

* * *

Consumer Demand

Stock price movements in 1939, as in any other year, are going to be influenced by company earnings and prevailing interest rates, according to this forecaster. He places emphasis on the influence that the U. S. conditions are going to have upon Canadian prosperity. A lag in moves may occur but reliance upon U. S. factual material is still justified.

Consumer demand for goods in the U. S. did not disappear during the depression of the past year, although somewhat reduced. Producers were still able to get rid of inventories, perhaps at lower prices. This contrasts with conditions prevailing from 1929 to 1932, according to this economist. He thinks that this factor will play an important part in the recovery in business volume in the United States. Building, and particularly residential building volume in both Canada and the U. S., showed a relatively small decline this year. Demand for automobiles revived rapidly. Both of these are points argued in favor of the statement that consumer demand in 1938 did not decline to nearly the same extent as did industrial production. He admits that the early months of 1939 may see a slowing up in the rate of business gain that has been so noticeable since last summer.

* * *

Commodity Prices

Prices for finished goods, as already mentioned, are unlikely to move higher to any marked degree in 1939. Until ratio of manufacturing operations to capacity becomes higher than he looks for next year, inducement to forward orders and large commitments will not be pressing. It seems likely that present raw material stocks can be replaced cheaply. An improving volume of production will have sufficient effect in lowering unit costs to permit rather wider profit margins in 1939 without much change in retail prices and in spite of some moderate rise in material prices. Generally speaking he does not see much ground for the belief that higher raw material prices will be able to surmount the difficulties in their path in the coming year.

Manufacturing costs are not likely to rise to any great extent in 1939, it is said. Some additional labor, tax and social security compensation costs are expected in the U. S but nothing to occasion disturbance.

* * *

Finally Money Rates

Many investors have already been driven from high-grade bonds to stocks by low yields and fears of inflation, as this man sees it. The result has been that many stocks are relatively high priced compared to earnings and dividends and thus vulnerable to any quick rise in bond yields. He is inclined to believe, however, that prospects for higher dividends will restrain any important move to liquidate stocks.

A moderate increase in bond yields is not a threat to the stock market. Possibilities for greater armament loans, inept bond refunding measures or deliberate currency depreciation may make it difficult for central bank authorities to maintain present near-record bond prices without some weakening. But he feels that it is unlikely that 1939 will see any moves on the part of central bank authorities to hamper any business recovery, or boom.

Loblaw Sales, Profits Up Over 1937 Figures

Sales and profits of Loblaw Groceterias Co. for the 24 weeks period ended Nov. 12 have increased over those of the corresponding period in 1937.

Sales increased to $9.9 millions from $9.3 millions, or 6.77% for the 24 weeks period. Profits rose to $376,853 from $371,318, an increase of 1.49%.

NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada
16R

THIS CHRISTMAS SOLVE HIS SHAVING PROBLEM

REMINGTON CLOSE SHAVER

$16.75 In Deluxe Case

$16.00 In Zipper Case

Budget Club Terms Available

CHOOSE Remington . . . the electric shaver that gets 30% closer to the skin than any other—shaves close as a blade, without irritation. First among shavers at any price. Made by Remington Rand, world's largest makers of precision machines.

Open Tonight Until 9.30 P.M.

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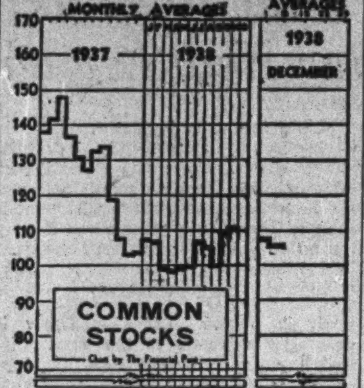
YONGE AT TEMPERANCE — TORONTO



Nat. Grocers Presents Plan

Special Meeting on Dec. 21 to Consider Arrears Proposals

A special meeting of the preference and common shareholders of National Grocers Co. has been called for Dec. 21, 1938, at Toronto to consider a plan to liquidate arrears of $22.75 a share on the 7% preference stock, of $100 par value.

The plan was proposed to the directors of the company by Nesbitt, Thomson & Co., McLeod, Young, Weir & Co. and R. A. Daly Co.

Present preference shareholders would receive by this plan:

(1) Five new prior preference shares, of $20 par value.

(2) A payment of $2.75 a share on the existing preferred.

Position of common shareholders is unchanged by the scheme.

Capitalization of the company, present and proposed is:

Capitalization

	Outstand. $	To be Outstand. $
4% 1st mtge. bds.	900,000	900,000
7% pf., $100 par ..	2,953,200 (29,532 sh.)	......
$1.50 cum., pref., $20 par	......	2,953,200 (147,660 sh.)
Common, n.p.v. ..	295,852 sh.	295,852 sh.

The new prior preference shares would carry a cumulative dividend of $1.50 a year; be redeemable at $27.50 a share, plus accrued dividends and have one vote a share. The plan provides for annual sinking fund payments on the stock amounting to 15% of net earnings after preference dividends. Arrears on the existing preference shares which would amount to $20 a share will be waived.

On the basis of $100 par value of preference stock, dividend requirements on the five new preference shares would be $7.50, as compared with $7 on the present preference. Annual dividend requirements would therefore be raised to $221,490 from $206,724.

It would be necessary to create 150,000 of the new $1.50 cumulative preference shares, and the present preference would be retired.

Five-For-One Exchange

By the terms of the plan, the company would issue sufficient shares to the underwriters to provide for the exchange of the present stock on the basis of five new shares for one old. This offer will be sent out by the underwriters. It is further agreed that the underwriters will take up for cash, sufficient shares to retire any balance of unexchanged existing preference stock. The option and ageement with the underwriters are conditional upon the holders of not less than 20,000 existing preference shares making the exchange and the issuance of supplementary letters patent. The present preference is callable on 60 days' notice at 110 and accrued dividends.

Subject to the approval of the plan and the issuance of supplementary letters patent, the directors propose to declare a dividend of $2.75 a share on the existing stock, which will reduce arrears to $20 a share at Dec. 31, 1938. Dividends on the new stock would accrue from Jan. 1, 1939.

Previous Plan

Previous attempt of National Grocers in Dec., 1937, and the early part of 1938, to eliminate arrears of $26.25 on the 7% preference was rejected by the court, because it was felt at the existing earnings rate, there was a prospect of paying off arrears in five years or less. Since that time the company has paid $3.50 on arrears.

This plan provided for payment of $4 in cash and the right to subscribe to three shares of common at $1 a share in return for cancellation of all arrears.

Preference shares could not be redeemed before Apr. 1, 1943, under the proposed arrangement, and sinking fund on the preference was to become effective after June 1, 1939. Preference requirements had to be met three times before any disbursement could be made to common shareholders.

Objection was raised by a number of shareholders, although the required majority of both classes was received on Jan. 4, 1938.

Carnation Co.—In a statement accompanying the dividend payment of Dec. 19, E. H. Stuart, president, states the dividends for the year have been fully earned and that a considerable amount will be added to surplus.

Market Opinions

Stock movements such as prevailing for the past week give little clue to probable trend direction and nothing unusual has developed in comment on stocks.

Brookmire Bulletins, New York—"The stock market under the combined influence of tax-selling and a normal reaction such as usually follows important advances has been giving a good account of itself. In particular, the light volume shows the absence of real liquidating pressure. Just ahead is the time for the most reliable seasonal market movement, the late December-January rise; and the underlying recovery forces should lead to resumption of the main upward trend. Thus, this period is one in which to make changes to improve portfolio prospects and to invest new cash, favoring dynamic, well-placed industries such as aviation, electrical equipment, automotive, railway equipment, and building."

* * *

Financial World, New York —"The action of the stock market during the past week or so has been moderately encouraging in light of some of the factors with which it has had to contend. Indications are that sales for tax purposes have been much more prevalent than in recent years. The capital gains and loss provisions of the present Revenue Act, together with fears that next year may see changes in a direction less favorable to taxpayers, have contributed a significant proportion of this year's tax operations.

"Present indications are that the early months of the coming year will bring considerable news of a very encouraging nature. In comparison with year ago figures, trade statistics and corporate earnings reports will become progressively better. As regards the all-important factor of Washington trends, one of the New Deal's Congressional stalwarts only last week served notice that blank checks for relief will no longer be given the executive.

"Maintenance of present holdings of good issues is fully recommended, and the investor is warranted in adding to his portfolio from time to time as promising situations are uncovered."

* * *

Whaley-Eaton Foreign Service—"Enlargement of British exports has become a recognized necessity and the movement in that direction may have to be implemented by the Government. Successful unit organization of the exporting industries, without subsidies, is unlikely. London's permission for the marketing of American unit trust shares shows faith in America, and it also provides Britain with a valuable potential reserve of dollars. London expects stronger American security markets after January 1."

* * *

Barron's (The Trader), New York—"The stock market has taken incidents of the order of McKesson & Robbins and Transamerica with complete equanimity. Volume of trading has been light and is based chiefly on tax considerations. On the business side, while new buying is off considerably, production is still high.

"The general situation, however, seems no more than the normal aftermath of an extremely rapid recovery in business and in the stock market that called before long for a halt, especially in the latter, where, as a result of the new capital gains tax, the scarcity factor—as manifest in the wholesale 'insider' selling in October—bids fair to be less powerful."

Inter. Pete Net Has Fair Gain

(Continued from page 1)

time of the purchase, Dec. 15, 1937, this production was running around 70.000 barrels daily, making the half interest bought amount to 35,000 barrels.

A half interest in this contract was recently sold to N. V. Nederlandsche Olie Maatschappij, the sale being made retroactive to Dec. 15, 1937.

A footnote to the balance sheet as at June 30, 1938, gives some further explanation of the latest deal. This footnote reads as follows:

"Under an agreement dated and taking effect as from Dec. 15, 1937, the company acquired an interest in certain properties and in the future crude oil production of Mene Grande Oil Co., C.A., in Venezuela, in respect of which a cash payment of $25 millions was made on Dec. 15, 1937. One half of this interest was disposed of, at cost, under an agreement dated Nov. 30, 1938, the terms of which are made retroactive to Dec. 15, 1937; the transactions under this agreement up to June 30, 1938, have been given effect to in the above balance sheet and in the accompanying statement of profit and loss. The net amount included in fixed assets as at June 30, 1938 in respect of the one half of the acquired interest which the company retained is $49,453,778."

Affects Balance Sheet

As might be expected these two agreements just mentioned have had important effect on the company's balance sheet as at June 30. 1938. The items which are definitely labelled as due to these agreements include several in current assets and liabilities. Practically all of the increase in current liabilities from $6.2 millions to $37.6 millions is due to the appearance of $26.8 millions of purchase money obligations maturing within one year and $1.8 million for crude oil due for delivery. Offsetting this is an item of $29.4 millions in current assets for current accounts receivable under the sale agreement, of which $16 millions has been collected in cash since June 30.

In addition to the current items already mentioned, long-term indebtedness under the purchase agreement (the Mene Grande deal) consists of $25 millions payable on Dec. 15, 1939, and $22.3 millions payable on or before Dec. 15, 1945. Among the assets are deferred accounts receivable under the sale agreement (agreement dated Nov. 30, 1938) of which $12.5 millions are due Dec. 15, 1939, and $11.2 millions due on or before Dec. 15, 1945. Neither the purchase obligations nor the deferred accounts receivable bear interest. It will be noted that the receivables mentioned under this section are one half of the long-term debt, in accordance with the terms of the sale agreement already mentioned.

Production Down

G. Harrison Smith mentions that aggregate production of crude oil from Peru and Colombia was 34,359,489 barrels of crude and 1,724,566 barrels of natural gas gasoline recovered in absorption plants in the latest period, a total decrease of 209,981 barrels in the year, or an average daily reduction of 575 barrels. The company's refineries processed 8,537,050 barrels, an average daily increase of 277 barrels.

During the year 146 new wells were completed in line with the more extensive drilling campaign referred to a year ago. The company continued its repressuring of producing fields in Colombia and Peru. In the former a daily average of 20.4 million cubic feet of gas was returned to producing horizons and 19.8 million cu. ft. in Peru. Experiments were conducted with water flooding in certain sections of the Peruvian fields with what are termed "gratifying results."

Work on New Fields

Further preliminary work was carried on in the Sonaco concession of 80,000 acres in Colombia, acquired in the year ended June 30, 1937. A test well is being drilled on this concession. Exploratory work was also conducted on the concession of about 500,000 acres obtained a year ago from the Ecuadorean Government.

It is stated that volume of bulk products carried by the company's Magdalena River fleet was 7.61% higher than in the preceding year and that there were no interruptions in ocean and river movements of the company's products to market.

A comparison of some of the other important balance sheet items follows:

Items Compared as at June 30

	1938 $	1937 $
Cash	9,300,885	31,340,102
Bonds (cost in 1938)	8,486,343	14,818,248
Bonds, market val.	8,609,602	14,818,248
Def. accts. rec., loans & advs.	4,656,229	3,027,597
Investments at cost:		
Shares	18,901,383	18,495,005
Shares (mkt. val.)	16,759,225	24,621,637
Cum. pfd. shs. ...	5,374,100	7,795,100
Sec. vessel mtges.	10,624,125	11,355,645
Bonds	585,048	1,834,442
Fixed assets:		
Land, wells, pipe lines, etc.	115,800,039	102,207,471
Less: Deprec. and depl.	83,002,309	74,589,423
Concessions, rights, devel. exps.	100,291,068	54,771,960
Less: Amortization	35,003,681	31,642,503
Net fixed assets	98,085,117	50,747,505
Total assets	227,620,645	156,107,818

Details of the income and surplus account for the years ended June 30 compared with a year ago follow:

Consol. Income and Surplus Account Years Ended June 30

	1938 $	1937 $
Operating profit* ..	34,750,971	31,081,666
Less: Fees & salaries	343,073	320,691
Deprec. & depl. ..	4,856,203	4,970,961
Amort. rights and develop.	3,361,178	2,518,291
Net oper. profit	26,190,517	23,271,723
Add: Invest. income	2,581,509	3,115,615
Profit on invest. ..	288,732	226,207
Less: Minority int. in net	289,608	297,457
Net profit	28,771,150	26,316,088
Less dividends:		
Preferred	497,830	500,491
Common	35,654,818	35,845,424
Deficit for year	7,381,498	10,029,827
Add: Previous surp.	41,668,659	51,698,486
Surplus forward	34,287,161	41,668,659

* After all producing, refining, manufacturing and distributing expenses and income taxes of $4.3 millions in 1938, $3.4 millions in 1937.

	1938	1937
Earned per Share:		
Pref. & common ..	$1.98	$1.81
Paid	1.50+1.00	1.50+1.00
Shares Outstanding:		
Pref., $2.50 par ...	200,000	200,000
Common, n.p.v. ..	14,324,088	14,324,088
Working Capital	$	$
Current assets	64,956,420	62,341,550
Current liabilities ..	37,551,466	6,224,188
Working capital	27,404,954	56,117,362

Significant Investors' Index Numbers

1926 = 100

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	8	7	3	4	10	12	7	15	15	8	19	95
1929-37:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1938:												
Jan.	109.6	18.9	87.2	194.9	64.3	158.7	116.1	138.4	64.4	84.3	48.7	107.7
Feb.	109.3	17.5	88.9	195.2	64.8	159.9	115.0	131.4	63.1	81.8	46.8	107.1
Mar.	100.7	14.6	76.5	181.2	60.3	152.0	101.3	116.0	58.2	80.5	43.1	99.2
Apr.	103.2	15.4	75.6	172.0	55.0	151.5	106.0	119.4	59.7	80.4	43.7	97.9
May	107.2	15.7	85.8	177.2	54.5	153.6	107.5	122.5	61.0	80.9	44.5	99.7
June	111.8	18.6	84.8	170.0	54.1	156.2	109.2	129.8	61.2	81.0	45.1	100.0
July	129.2	23.1	88.6	177.6	59.4	167.9	120.5	142.6	66.4	84.9	48.6	106.9
Aug.	130.1	21.0	88.3	176.7	59.0	168.5	122.1	139.3	64.3	85.0	47.1	105.2
Sept.	120.6	17.5	78.4	165.0	54.3	162.2	108.8	121.2	57.8	83.4	42.7	98.6
Oct.	139.8	22.8	85.8	182.1	58.5	170.1	133.3	139.5	64.0	86.0	46.9	109.7
Nov.	141.5	21.6	84.9	184.5	59.0	170.2	143.3	141.5	62.3	85.6	46.2	110.4
Weekly Figures, 1938:												
Dec. 1 ..	132.9	19.6	80.4	183.2	56.8	169.6	138.8	135.2	61.0	84.5	44.9	107.5
Dec. 8....	135.1	19.0	80.3	176.2	57.5	169.5	139.0	137.3	60.2	83.7	44.4	106.3

*High and low for years from 1929 to 1937 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Dec. 13	121.55	122.41	99.59	34.31
Dec. 12	120.70	122.33	98.64	34.74
Dec. 10	120.33	121.82	98.30	33.46
Dec. 9	120.44	121.44	98.15	33.91
Dec. 8	121.38	121.45	98.79	30.43
Dec. 7	122.40	122.06	99.64	30.19
Month ago ..	128.14	120.69	101.80	30.13
Year ago	121.65	116.84	72.42	43.41
High, 1938 ..	131.11	127.19	105.56	50.65
Low, 1938 ...	97.66	101.86	64.47	25.77

Montreal Stock Exchange Averages

	10 Util.	20 Indus.	30 Comb'd	15 Golds
Dec 13	65.4	82.3	76.7	124.23
Dec. 12	65.4	81.5	76.1	123.07
Dec. 10	65.5	81.7	76.3	122.88
Dec. 9	65.0	81.4	75.9	122.40
Dec. 8	65.7	81.9	76.5	122.17
Dec. 7	66.0	83.1	77.5	122.27
Month ago ...	68.0	86.0	80.0	122.07
Year ago	67.8	74.5	72.3	115.67
High, 1938 ...	69.3	88.8	81.9	130.77
Low, 1938 ...	57.6	61.1	60.5	103.06

BERYLLIUM

2¼ per cent of Beryllium alloyed with copper increases the tensile strength of the copper from 33,000 lbs. per square inch to 220,000 lbs. or more. It makes it comparable to steel for strength and hardness.

If there is any other alloy that will give such a truly wonderful performance - - we have yet to hear of it - -

The source of this "wonder alloy" is the mineral —BERYL—sometimes called Beryllium ore. This company owns and is developing a property on which is located the chief source of supply at present known in Canada. Already a substantial quantity of ore has been stock-piled at the property which comprises some 3,500 acres in Renfrew County, Ontario. Development work is now being expanded in order to add to the ore pile. Results of work to date have been of an extremely satisfactory nature and good tonnage of Beryl has already been proven and indicated.

Descriptive booklet free on request.

CANADIAN BERYLLIUM MINES & ALLOYS LTD.
901 Royal Bank Building - - Toronto, Canada

Canadian Dredge To Pay $1 a Sh.

Earnings Are Small and Part of Dividend May Come From Surplus

A dividend of $1 a share has been declared on the common shares of Canadian Dredge & Dock Co., payable Jan. 31, 1939, to shareholders of record Jan. 17. Last previous payment was $1 a share paid Jan. 31, 1938. The July 31 payment was deferred because of disappointing volume of work.

Earnings for the present year will be comparatively small on account of the limited amount of work received, but directors felt warranted in providing for the latest dividend even though part of it may be payable out of surplus, it is officially stated. The company's year ended Dec. 31, and it will be some time before the annual statement is prepared.

The company paid $2 a share in dividends from 1937 earnings but only $1 a share for 1938. As it is suggested that even this $1 a share may not be entirely covered from earnings, it would appear that net for 1938 will be less than half the $2.03 a share earned in 1937. The company's operating surplus amounted to $858,203 at the end of 1937. Cash and call loans totalled $477,520 while current liabilities were only $57,164.

Algoma Steel Corporation, Limited
Convertible 5% First Mortgage Bonds
Due November 1st, 1948
Price: 100 and interest

Algoma Steel Corporation, Limited	
Total Net Assets, as at April 30th, 1938..	$19,069,655
Total Bonded Debt (Short Term and Ten-year Bonds)	3,000,000
Earnings available for Bond interest, Depreciation and Income Tax, year ended April 30th, 1938...............	1,316,444
Interest charges on above funded debt...	138,000

Descriptive circular forwarded upon request.

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"IF EUROPE WERE ONLY ON A DIFFERENT PLANET"
Market Letter on Request

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New Issue

Province of Ontario

3% Debentures
due 15th December, 1949
(callable 15th December, 1945)
Price: 99½
to yield 3.05%

Full details will be sent on request.

HANSON BROS.
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Established 1883
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Featuring high grade imported Woollens for all occasions.

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Bond Markets

Predicts Better Market For Corporation Issues

Financial Writer Sees Progress of Business and Market Trend in 1939 Improving Position of a Number of More Speculative Bonds

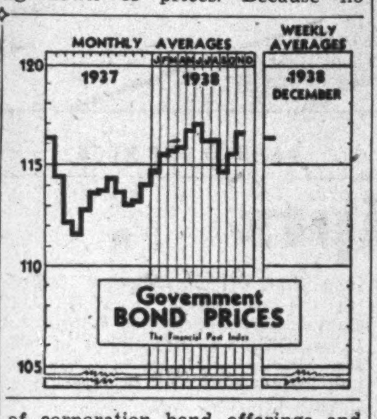
Sadly, but without reluctance, the Canadian bond investor is watching the passing of 1938, a year unsatisfactory from many standpoints, particularly in the corporation bond field.

Now the investors' interest is turning to the possibilities for 1939. What of prices, of yields? Will there be an increase in good industrial issues? Will the large surplus of funds awaiting investment find a safe haven in suitable industrial obligations?

A financial writer surveying the field predicts betterment for many Canadian industrial issues and offers hope for excess funds.

Corporation issues are divided into three classifications, according to this authority: best-grade bonds, speculative bonds, such as defaulted issues, and an "in-between" group, which comes under the qualifications of both the other groups but fails to answer all the requirements of either of the extremities.

In the best-grade bonds, the writer concludes that the rate of interest is determined by interest rates on government obligations. Government obligations act as a ceiling, limiting the price rise of the corporation bonds but do not prevent scaling down of prices. Because no great change is looked for in prevailing interest rates, a continuance of prices and yields at similar levels is expected.



* * *

Speculative Chances

The most speculative group offers the greatest chance for profits. In this group come such liens as Abitibi and Minnesota and Ontario, and a great latitude in prediction is offered because of the large size of the group.

This group moves in sympathy with the stock market. As one trader invariably replies when questioned on prices of the speculative group, "I don't have to look at 'em. Tell me where United States Steel stands and you have the answer."

All signs point to a better stock market, this observer states, and therefore a better price position for the speculative group.

* * *

"In-Betweens"

The "in-betweens" vacillate between these two positive positions and are defined as "a large group that cannot be ranked as the highest grade, nor are they in a condition that threatens ability to pay interest and meet other requirements.

"The in-betweens are most likely to move in accordance with actual developments in the borrowing companies themselves. If prospects are that earnings are gaining, their bonds are almost certain to be favorably affected. If the reverse is true, bondholders are in for a bad period. If you know what business activity in certain industries is going to be in 1938, I would think that you have a good clue to point to the probable course of prices for those intermediate bonds in 1939.

"One thing should be remembered. The groups might be classified today but their placing would not be the same a year from now."

* * *

Outlook Encouraging

Generally, this writer's appraisal is encouraging. He believes that the position of a number of speculative corporation bonds should improve and that some companies now in default should be able to reorganize.

Most interesting feature of the 1938 market was the financing of mining mills by the issue of bonds. It is quite possible that this will assume some importance in the coming year.

In the final analysis, the volume of corporation bond offerings and bond market will depend upon the progress of business generally, this writer concludes.

* * *

Canada's Credit

In commenting upon the success of the recent Dominion of Canada loan in New York, Hon. C. A. Dunning, Minister of Finance, said:

"No country in the world is borrowing money today at lower rates than is Canada. Our recent issue in New York, which was for a term of 30 years, was offered to the public at a price to yield the investor only 3¼% to maturity. If an adjustment is made for the tax-free feature of United States Government bonds, it will be found that the Dominion Government issues are selling in the United States market on a basis as attractive as that of the obligations of the United States Government.

"For instance, the tax equivalent yield of the United States Government issue due in 1963 and callable in 1958 is 3.13%, compared with 3.14% on the recent Dominion loan. Canadians should, therefore, be proud of the high credit standing of their government's obligations in the world's markets."

* * *

Bond Index

The prices of Canadian high-grade bonds moved irregularly in a very narrow range during the week, with a disposition on the part of investors to remain on the sidelines.

Average Price and Yield for Seven High-Grade Government Bonds

1938	Price $	Yield %	1937	Price $	Yield %
Dec. 13	116.48	2,779	Dec. 13	113.86	3.224
Dec. 12	116.52	2.773	Dec. 11	113.87	3.227
Dec. 10	116.57	2.769	Dec. 10	113.87	3.227
Dec. 9	116.56	2.769	Dec. 9	113.91	3.223
Dec. 8	116.56	2.769	Dec. 8	113.94	3.221
Dec. 7	116.52	2.777	Dec. 7	114.01	3.213
Year's	117.21	2.737	Year's	117.91	2.966
Range	111.86	3.389	Range	111.50	3.597

Ontario Sells New Bond Issue

Good Reception Given to $16.5 Millions of 3% Debentures

A good reception was given by the market to Ontario's most recent financing, a $16.5 millions issue to refund treasury bills. The 3% debentures are dated Dec. 15, maturing Dec. 15, 1949, and were offered by a large syndicate of investment dealers and banks at 99.50 to yield 3.05%.

The financing does not constitute an increase in the funded debt of the province. Hon. Mitchell F. Hepburn, Prime Minister and Provincial Treasurer says in regard to the issue, "During the first eight months of the current fiscal year to Nov. 30, accrued ordinary receipts and ordinary expenditures have been within the budget estimates, which call for a balanced budget in the fiscal year ending Mar. 31, 1939, after providing for unemployment, direct relief and sinking fund charges."

Gross funded debt of Ontario, after giving effect to the present financing, according to debt statement contained in the prospectus, amounted to $608.4 millions, which after sinking fund of $10.1 millions, totalled $598.3 millions.

Surplus in 1938

Temporary loan, saving office deposits, special funds, etc. amounted to $101.6 millions, leaving total debt of $699.9 millions. Contingent liabilities amounted to $140.1 millions. Included in the total debt figure are debentures amounting to $232.9 millions of revenue-producing and realizable assets.

Surplus on ordinary account for the year ended Mar. 31, 1938, according to the prospectus statement amounted to $4.6 millions, after provision for sinking fund and debt retirement of $1 million.

N. B. Rail Loses Gold Decision

From Our Own Correspondent

MONTREAL. — New Brunswick Railway Co. must redeem its bonds issued in 1884 at gold value, according to a decision handed down by the House of Lords. This upholds the Appeal Court's decision to the same effect. Interest payments were exempted.

The Court of Appeal had decided that English, not Canadian, law controlled the performance of the bond contract. Consequently, holders of the bonds were entitled to repayment on a gold basis. Judgment means the company must pay about £185 sterling for each £100 bond.

Large Sum Involved

The British and French Trust Corp. brought the case against the railway company. In August, 1934, the trust corporation refused to accept payment in sterling for first mortgage, 5% gold bonds with a face value of a little over £100,000. Its legal victory, therefore, means an additional £85,000 to them, or approximately $425,000 extra payment in redemption of the bonds.

The status of other bondholders who accepted sterling payment for bonds totalling a little less than £500,000 is at present not clear because no comment is available on this point from Brigadier General F. S. Meighen, of Montreal, president of the New Brunswick Railway Co.

The lines of the railway company are being operated by the C.P.R. on a 900-year lease. They total 148 miles of railway owned outright by the company and 260 miles leased from smaller companies.

Harding Carpets Hit by Wool Drop

President Fears Effect of Favored Nation Treaties

Drastic reductions in the price of wool during the year, which necessitated write-downs caused a substantial decline in the earnings of Harding Carpets Ltd. in the year ended Oct. 31, 1938, according to A. E. Cuthbertson, president, in the annual report to shareholders.

Sales during the year were 16% below those of 1937, but 9% higher than those of 1936. 1937 was a record year from a sales standpoint.

Net profit declined to $1,617 in 1938, from $66,321 in the preceding fiscal year, equivalent to earnings of one cent and 39 cents respectively.

Bank loans which amounted to $96,000 at Oct. 31, 1937, were wiped out during the year, and working capital position showed improvement.

Trade Agreements

In a separate statement to The Financial Post, the president says that full effects of the trade agreements on the company are not yet possible to judge.

"The serious part from our viewpoint," Mr. Cuthbertson asserts, "is not the reduced tariff as applied to United States' products as these are made on the same high-wage levels that prevail in Canada, but the reductions extended to the United States are also granted to 23 other favored nations, including such carpet manufacturing countries as Germany, Belgium, Italy and France, whose wage rates are not comparable with those in Canada. Anything that tends to increase the flow of this merchandise will, of course, be detrimental to our own workers unless the general impact of the trade treaties is such as to improve national conditions to an extent that will overcome the particular loss caused by increased imports."

Income and Surplus Account
Years Ended Oct. 31

	1938 $	1937 $
Earnings*	58,289	135,799
Less: Depreciation	56,258	54,478
Income taxes	414	15,000
Net profit	1,617	66,321
Less: Dividends	34,503	34,205
Surplus for year	†32,886	32,116
Add: Prev. surplus	158,931	126,815
Surplus forward	126,045	158,931

*After administrative, selling and general expenses. †Loss or deficit.

Working Capital

	1938	1937
Current assets	430,139	520,229
Current liabilities	61,437	165,865
Working capital	368,702	354,364

Ottawa Light Cuts Common Dividend

From Our Own Correspondent

MONTREAL. — Reduction in its common dividend with the quarterly payment due Jan. 2 has been announced by Ottawa Light, Heat and Power Co.

Directors of the company have declared a dividend of 25 cents a share on the new common stock, payable Jan. 2, to shareholders of record Dec. 17. This is equivalent to $1 a share on the old stock which was recently split four for one. Thus the new common stock is placed on a dividend basis of $1 a share annually, equivalent to $4 a share on the old stock.

The new dividend rate is the lowest recorded since the company commenced to pay dividends in 1907. Since 1916 the dividend rate has been $6 annually.

Reduction in the dividend rate is not unexpected. The $6 dividend has not been fully earned since 1931. Earnings on the common stock in 1937 were equivalent to $5.41 a share. The market, in fact, has been discounting the possibility of a lower dividend as the stock has been selling to yield over 7½%.

The WRIST WATCH with AUTOMATIC CALENDAR

JAEGER-LECOULTRE

The watches illustrated above are steel-cased automatic calendar watches at fifty-five dollars. Also obtainable in solid gold at one hundred and twenty-five dollars.

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YOU DON'T HAVE TO BE RICH

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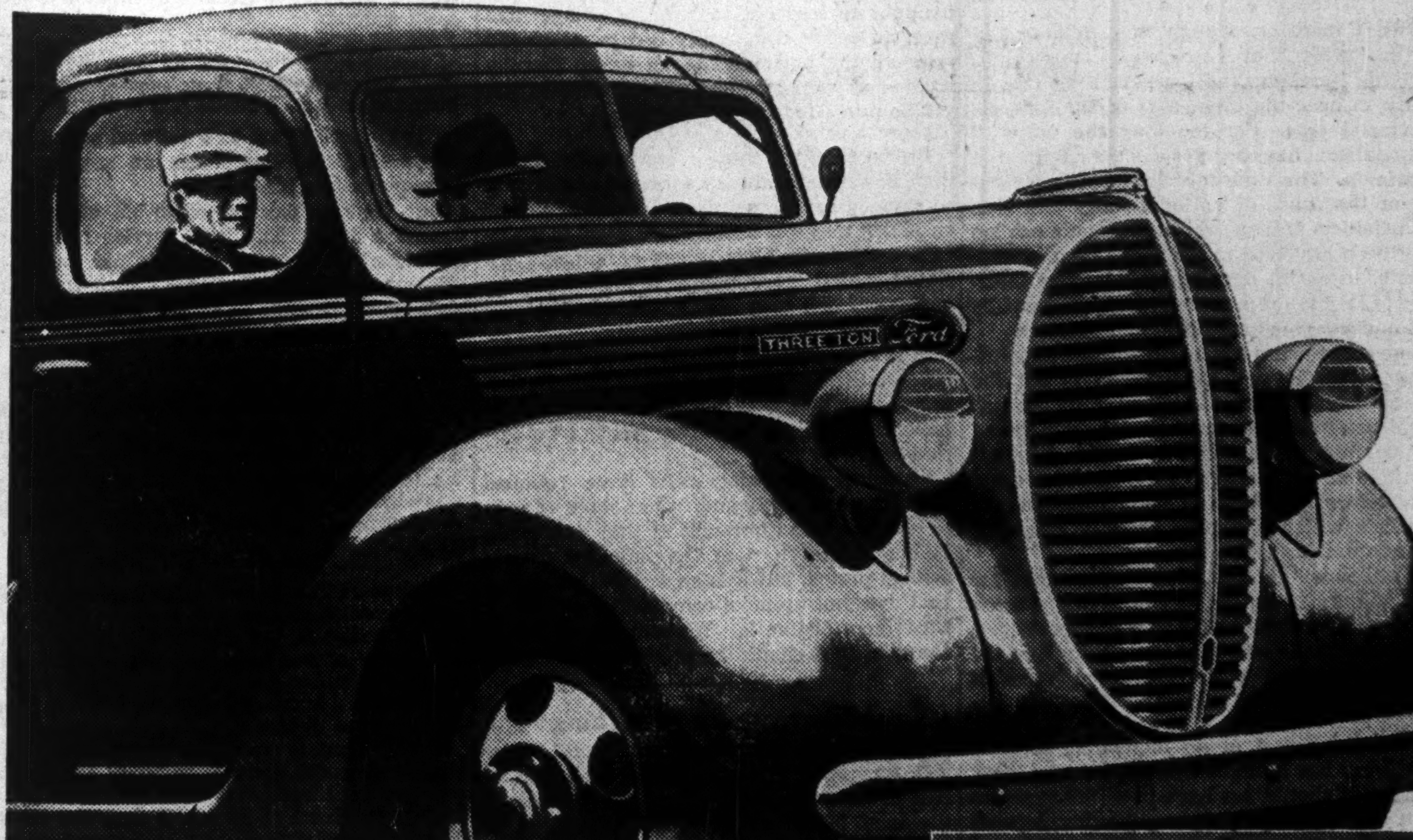
A THREE-TONNER JOINS THE

FORD V·8

TRUCK AND COMMERCIAL LINE *for 1939*



For 1939, the Ford truck and commercial line provides greater economy in a wider range of hauling and delivery equipment than ever before. Units in ratings of one-half ton to three tons are now available. Addition of the new three-tonner has broadened the scope of Ford Truck operations to cover over 95% of all commercial requirements. With choice of 61 different units, three clutches, three transmissions and six rear axle ratios, in addition to various wheel and tire sizes, operators can buy V-8 trucks and commercial cars that are specially adapted to their own particular commercial transportation needs.

There is a new 100-hp. V-8 engine in the 3-ton trucks. Both the 85-hp. and 95-hp. engines have been improved. Crankshafts are larger and heavier with main-bearing diameters increased to 2.5 inches. Tungsten steel valve-seat inserts are used on all valve-seats in all three engines. New-type piston rings in all three give even greater oil and over-all economy.

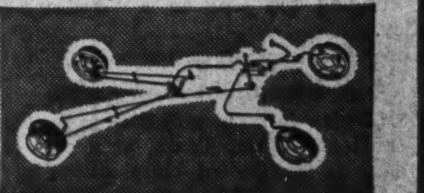
Hydraulic brakes are also new for 1939. They are big and powerful—precision-built to Ford safety standards. Clutches are improved.

Other earmarks of quality construction are found in the time-proved Ford features. Deep, rugged frames that stand up under the hardest service. Torque-tube drive. Rear axles with straddle-mounted pinions for greater power-transmitting efficiency. Worm and roller steering for easier handling.

All these are reasons why a 1939 Ford unit will do your job reliably and at low cost. They are reasons why you should look at the new Ford line before you buy any truck at any price. Arrange for an "on-the-job" test. See your Ford Dealer today.

HIGHLIGHTS OF THE 1939 FORD V·8 TRUCKS

Three brilliant V-8 power-plants: 100 hp. in 3-ton, 95 hp. in 2-ton, 85 hp. in 1½-ton trucks. 1-ton trucks and ½-ton commerical cars have an 85-hp. V-8 engine.



Four-wheel hydraulic service brakes on all 1939 Ford V-8 Trucks and Commercial Cars. Regular and Cab-Over-Engine Trucks have independent hand brake system.

- New-type piston rings for improved oil economy.
- Larger, heavier crankshafts
- Easy, dependable steering—worm and roller type.
- Full torque-tube drive.
- Straddle-mounted driving pinion — ring gear thrust plate.
- Full-floating rear axle.

FORD MOTOR COMPANY OF CANADA, LIMITED: FORD V·8 TRUCKS AND COMMERCIAL CARS, ½ TON TO 3 TONS

80,000 Shares

Wilsil Limited

Incorporated under the laws of the Province of Quebec

CAPITALIZATION

	Authorized	Issued
Common Stock, no par value	200,000 shares	135,700 shares

Company has no funded indebtedness

Circular containing information received by us from Mr. James A. Law, President, Wilsil Limited, will be promptly furnished on request.

These shares do not represent any new financing by Wilsil Limited. They have been purchased by us from individual shareholders of the Company.

Price: $18.50 per share

Greenshields & Co
Incorporated

McLeod, Young, Weir & Co Limited — Collier, Norris & Henderson Limited

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Member Audit Bureau of Circulations

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TORONTO, DECEMBER 17, 1938

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

Ottawa Comes to Bat

DECLARATION of open warfare between the Prime Minister of Canada and the Premier of Ontario is as unfortunate as it was inevitable.

As Hon. C. D. Howe pointed out on Saturday night at Port Arthur, the Prime Minister has obviously been living in hopes that personal and private differences could be "eventually submerged in the larger and more urgent cause of national unity." Mr. Howe also expressed his conviction that Mr. King had at all times placed the unity of Canada "above all other considerations."

Doubtless Mr. King is sincere in believing that he has been acting in the interests of national unity. But his failure to tackle courageously some of the chief problems with which Canada has been confronted, shows clearly that his policy has been unsuccessful. There are sins of omission as well as sins of commission.

Now, to quote Mr. Howe, all hopes for a peaceful settlement have been destroyed. "The time has come for plain speaking."

• • •

Most Canadians, though they deplore the circumstances that have made this plain speaking necessary, will welcome an opportunity to hear the other side of the federal-provincial case. For too long the voice of sectionalism has been rampant in the Dominion. The time for vigorous championing of the cause of national unity and true Canadianism is long overdue. Canada has too long been hindered in the attainment of legitimate, essential development by the interplay of Dominion-provincial jealousies and by real and imagined constitutional barriers.

One step toward a solution was the appointment of the Rowell Commission to sift the financial relationships involved. Appointment of this commission brought this whole vexed matter into the limelight. It not only set about to obtain the true facts but it became a necessary if disturbing sounding board for conflicts which had been secretly gathering momentum for years.

Until now the Dominion Government has kept silent. It has let the case for national unity go by default as far as the federal voice was concerned — hoping apparently that the sectionalists and petty provincial vocalists would wear themselves out.

• • •

Now the threat of an impending election next year has brought this matter to a head. Though it should not have been necessary to wait for such a goad, it may be that nothing short of a general election will provide the sort of leadership of action and direction which is essential if this country is to find a solution for its Dominion-provincial troubles.

Certainly it is leadership — more than the discussion of it on the public hustings—which is the need of the hour. But one essential of leadership is the creation among the Canadian people of an awareness of the real facts of the present situation. Something of this sort is apparently about to occur.

The Hepburn-Duplessis entente has done nothing as yet to show Canadians that they have any constructive policy to offer toward national unity. But Mr. King has left himself and his Liberal party extremely vulnerable by clinging too long to a "wait-and-see" policy.

A Lesson in Newsprint

THE plan to build a 50,000-ton newsprint mill at Lufkin, Texas, at a cost of $6 millions is worthy of close study by the Canadian newsprint industry and by holders of Canadian newsprint securities.

For one thing the U.S. Government is indirectly involved because the initial money with which to finance the project is coming from a $3.7 millions loan from the Reconstruction Finance Corporation. If the project is not financially successful then the United States Government may eventually find itself in the position of owning and operating a big newsprint mill or else subsidizing the project to foster and maintain a domestic newsprint industry in the southern States. In either case this may be the thin edge of the wedge of government support to assist American newspaper publishers in their attempts to make themselves independent of Canada as a source of newsprint supply.

Having obtained the backlog of an R.F.C. loan, the promoters of the scheme will then attempt to finance the balance of their commitment by the sale of stock direct to newspaper publishers. Registration papers filed with the U.S. Securities and Exchange Commission contain details of a carefully executed plan to attract publishers to the project not only as customers but as shareholders. Already Texan publishers are reported to have signed for 45,000 tons of newsprint from the new mill when completed.

• • •

It may be argued, of course, that there is no assurance that this project will be successful. Quality and cost factors should be such as to give Canadian newsprint manufacturers no really serious competition of the type which certain American newspapers would have us believe is imminent.

But Canada cannot afford to gamble on this experiment being a failure.

The history of research in business points in the opposite direction. If the pioneer work already done by the late Dr. Herty still falls short of ultimate success it is certain that this work will be continued. Sooner or later it seems inevitable that some use directly competitive to Canadian newsprint will be made of this important natural resource.

• • •

Meanwhile the immediate lesson for Canadian newsprint manufacturers, is the need for closer co-operation between the Canadian industry and its largest customers, the American newspaper publishers.

As matters now stand, there is little support or sympathy among American publishers concerning the troubles of the Canadian industry. The ill-timed price increase of last year did not help matters; nor does the present prorationing forced on the industry by provincial governments.

There are, of course, two important arguments in favor of a certain amount of government control of the newsprint industry. One is that the industry's raw material is a vital, natural resource which it is using at a rate more rapid than natural growth. The other is that whole communities depend on the operation of a single mill and if that mill happens to lose out in a bitter competitive race, an entire community can be destroyed with all the personal human havoc thereby created as well as enormous expense to the public purse for relief costs, etc.

• • •

But in reaching these objectives, the Canadian newsprint industry must be careful not to antagonize its customers. It must avoid the suspicion that it is exercising control to maintain artificially high prices or support inflated capital investments. It must make its customers feel they are partners in the deal rather than outsiders.

A first step in this direction would be a decision on the part of Newsprint Manufacturers Association to fix a definite time limit beyond which prorationing will not be carried on.

Canada's newsprint mills have rationed tonnage unwillingly and from a sense of public duty to the communities they represent. It has helped to tide the industry over a critical period, but it is an artificial measure, that does not promote competitive efficiency. Customers dislike it. When it is possible to abandon it, it should be abandoned for good.

A Travesty on Preaching

ALBERTA'S Premier Aberhart told an interviewer in Ontario this week that he had never promised anybody a $25 a month dividend. Moreover, he said, dividends would never be paid out of taxation but out of surplus obtained through the natural resources of the provinces.

Mr. Aberhart's statements are unreliable.

Repeatedly during the election campaign of 1935 Mr. Aberhart was quoted in reliable newspapers as promising basic dividends to citizens; he frequently mentioned the figure of $25.

Some of his followers went further and raised the ante to as high as $75 a month.

Mr. Aberhart said the money would be raised by a "levy" on the "unearned increment." At a meeting in Toronto he was pressed for details of this "levy." He explained that what he had in mind was a turnover tax on everything sold in the province.

Alberta people have found Mr. Aberhart's promises an unsafe guide to his performances. Investors also have found him untrustworthy.

On the day he was elected he said:

"We have no intention of confiscation or repudiation in any way, shape or form."

A few days later he was interviewed by the Canadian Press and said:

"We have no intention of injuring capital investments in any way. On the contrary we will protect capital. We must keep the homes and farms of the people without detriment to holders of mortgages. And we are determined — and I cannot emphasize this too much — there will be no repudiation of debts. It will be our determination to see our people pay their debts."

Later at the Canadian Club in Toronto he reiterated this assurance. He also repeated his promise of $25 a month to citizens as something for which the province would be recouped in the form of "levies."

Within a few months Mr. Aberhart set out on the greatest campaign of debt repudiation and capital confiscation ever attempted in Canada.

Mr. Aberhart's preachments from a Seaforth pulpit and to his own congregation each week, are a travesty upon the principles of honesty and truth.

A Lesson From New Zealand

WELL prepared publicity has recently arrived from New Zealand outlining plans for the national centennial celebrations which will take place there in 1940. The Dominion is approaching with great enthusiasm the hundredth anniversary of the landing of the New Zealand Company's settlers at Port Nicholson, Hobson's arrival at Waitangi and other important events which marked the beginning of organized cession and colonization.

A special news magazine is being published to inform and assist local and national effort. Everything possible is being done to present through the Dominion "a properly co-ordinated series of national, provincial and district celebrations."

Canada may learn some lessons from this undertaking.

First, the organization already undertaken in connection with the Centennial suggests that national leadership is being given already to enlist the support and interest of all of all parts of the community.

Then too, New Zealand has its own Minister of Tourist and Publicity. As one link in the Centennial chain, this department will assume responsibility for staging a concerted, coordinated drive to make New Zealand the mecca for world travellers in 1940.

Canada has nearly eight times the population of New Zealand. Its tourist trade both present and potential is far in excess of her sister dominion. Yet the smaller country is far ahead of its big sister in the way it is organized to get the maximum result from regular and special opportunities such as the forthcoming centennial.

It is time Canada's complacency in respect of tourism was routed, and time Canada organized its own tourist business as a national effort.

The first move toward this goal is to coordinate and plan, under one department at Ottawa, a vigorous national "Visit Canada" programme.

Leadership at Work

COMMENDING The Financial Post for its "leadership" editorials of recent weeks, The Toronto Telegram makes this comment:

"Leadership, not the discussion of it, is the need of the hour.

"Nor need anyone think that it is a quality to be confined to public men. The farmer, the merchant, the lawyer, the banker in the towns and villages all over this dominion can be leaders, too, by making their combined opinion felt upon their elected representatives."

The same thought was expressed by Editor George James of the Canadian Statesman of Bowmanville in a recent editorial:

"The real leadership which is needed right now in this country is not so much that of outstanding national moguls making resounding speeches which may sweep the country. It is the leadership of ordinary men and women in every walk of life in their own small spheres.

"There is your challenge and opportunity as public spirited citizens to measure up to your obligation to do your part — and get busy and do it now before it is too late."

The Financial Post, as a national paper, has placed leadership emphasis on matters of primary national interest.

But leadership must come all along the Canadian front. The local service club, the individual citizen, can do their part side by side with political leaders by accepting the leadership principle in their community and putting it into immediate action.

Editorials in Brief

The Masseys are a hard family to keep down. A Toronto woman who has been following the news of the New York stage recently was excited to make the discovery that Raymond Massey's picture is on all the American $5 bills.

• • •

For years The Financial Post has been advocating revision of the public accounts of governmental bodies in this country. At the present time many of the provinces present their financial statements in such a manner that it is impossible for a layman to understand them. Even experts have difficulty in analyzing them.

If and when a revision is undertaken, other provinces would do well to study the public accounts of Alberta. This province presents a clearer statement of its affairs than any other. Even the uninitiated can understand them. Alberta is the only province which follows the practice of the Dominion Government in showing the over-all surplus or deficit after providing for all expenditures, including those on capital account.

Sayings of the Week . .

"I am not here to lecture but to listen and to learn."—*Anthony Eden.*

• • •

"The man who gives up goes down."—*B. C. Forbes.*

• • •

"There are no dead ends. There is always a way out."—*Henry Ford.*

• • •

"I have never accepted and do not now accept the doctrine of the inevitability of war." —*Anthony Eden.*

• • •

"Women have attained equality in most respects; they are beginning to dominate in some."—*Gertrude Atherton.*

• • •

"Pessimism is the last resource of the coward." —*Dr. Nicholas Murray Butler.*

• • •

"Our workers' organizations must be on the alert to expose all incipient forms of Fascism." —*John L. Lewis.*

• • •

"The destructive power of modern armaments is such that, in case of conflict, almost total ruin for victor and vanquished alike is inevitable."—*Andre Maurois.*

• • •

"Under the economic plans in force there, Germany will experience a slow but steady decline of the standard of living."—*Sir Edward Beatty.*

• • •

"If we do not populate our Empire within a reasonable time, it will become weaker, more envied, and in a far more dangerous position than it is today."—*Duke of Devonshire.*

• • •

"Motion pictures could be one of our greatest mediums of education—children don't have to be forced to go to the movies." — *Katharine Hepburn.*

• • •

"Never in the whole history of the world have such great strides been made in knowledge in its practical applications as during the lives of most of us."—*Bishop of Winchester.*

—*Cartoon by Grassick.*

PASSING THE BUCK

Post-Scripts . . . .

Early Riser

Residents of Rockcliffe, Ottawa's posh residential suburb, or rather those of them who rise early, were filled with curiosity from late September to late November.

GEORGE A. DREW

Looking out of their bedroom windows, each morning, rain or shine, warm or nippy, they would witness a tall, good-looking, sweater-clad figure swinging along the street as if bent on overtaking a train An hour or so later, he would return. Sometimes he would break into a sprint.

It was all very puzzling.

Then came a morning when the hurrying stranger failed to appear. For the Bren Gun Enquiry was over, and Lieut-Colonel George A. Drew had returned to Toronto, where, a week or two later, he was to become leader of the Conservative Party in Ontario.

These early morning speed trials were Drew's way of keeping fit. Out of bed at 6.30 he would be on his way to Rockcliffe before the sun had bathed the Chateau Laurier's turrets. He would run round the airport, doing in all between five and ten miles. Then back to his hotel for a shower and breakfast; later striding into the court room as fresh as a daisy.

No matter where he is, at home or away from home, Colonel Drew takes his early morning exercise.

• • •

Ten years ago, in the July 1, 1928, issue of Maclean's Magazine there appeared an article which sold out that publication within a few hours and forced the publishers to produce, in months to follow, half a million reprints. Even today there are several requests a week for copies of that article. It was entitled "The Truth About the War." It was signed "George A. Drew."

For some time prior to publication of the Drew article, various United States magazines had been featuring "now it can be told" pieces which belittled the war efforts of the British Empire. They were the "We won the war" articles which caused widespread resentment in Canada Napier Moore, editor of Maclean's Magazine, called a staff conference. "These articles have got to be answered," he announced. "Who can do the best job?" Various names were suggested and written down. "Let's sleep on it," said Mr. Moore. "We'll meet tomorrow and decide."

Next morning, there was laid on Mr. Moore's desk a manuscript which had come through the mail. He read it. Then he reached for the phone book. An hour later Moore and Drew met for the first time. A few weeks later, the name of George A. Drew was on the tongues of people in every part of Canada. "The Truth About the War" had been published and a flood of congratulatory telegrams was pouring into the editorial offices of Maclean's Magazine.

• • •

From that time on, Colonel Drew was a regular contributor to Maclean's Magazine. He wrote the story of "Canada in the Great War," the story of "Canada's Fighting Airmen," "The Truth About War Debts," "Salesmen of Death," "The Real War Debt Hoax," "Hell's General Staff," "Tell Britain," "Twenty Years After," "We Need Wings," "Will Canada Support Britain?", "Our Bow and Arrow Army" and other articles for Maclean's Magazine, as well as articles for The Financial Post, which aroused keen interest not only in Canada but in other parts of the world.

Following publication of his series on profiteering in armament manufacture, so many letters were received by the League of Nations Secretariat in Geneva that secretaries there got the habit of referring to the mail as "today's attack of Drewitis."

It was because of this record that Colonel Drew was asked by Maclean's Magazine to investigate the Bren Gun contract.

• • •

Guelph Background

As Opposition leader in the Ontario Legislature, Col. Drew will sit across from the stormy petrel of Canadian politics—Mitchell F. Hepburn. Mr. Hepburn is 42; Col. Drew, 44. Col. Drew has never yet graced the legislative chamber with his presence. He stood for election in the Guelph constituency (his home town) in the last provincial election but was defeated.

The Drew connection with law, politics and Guelph goes back a long time. George Drew's father was the late John J. Drew, K.C., of Guelph. His grandfather, George A. Drew, Q.C., was a member of the first Parliament of Confederation and later was Senior Judge of the County Court of Wellington.

After graduating from Osgoode Hall, George Drew was called to the bar in 1920; practised in Guelph until 1925, when he was appointed Assistant Master, Supreme Court of Ontario. In 1929 he was appointed Master. He resigned in 1931 to become Ontario Securities Commissioner. He joined his present firm of Balfour, Drew & Taylor in 1936. In the same year he was appointed chairman, Liberal-Conservative Campaign Committee for Ontario. At the party convention in 1937 he ran for the leadership but was defeated by Hon. Earl Rowe, whom he now replaces as leader.

• • •

The Colonel's connection with the militia goes back to 1910 when he joined the 16th Battery Artillery in Guelph. He enlisted with that battery in 1914, went overseas in May, 1915. From Oct., 1917, until April, 1918, when he was wounded, he commanded the 64th Battery. On his return to Guelph in 1920 he took command of the 16th Battery which he commanded until 1929 when he took command of the 11th Field Brigade with headquarters in the same city.

For three years (1922-24) he was alderman in Guelph, becoming mayor of that city in 1925, being (at 31) the youngest chief magistrate in Canada at that time.

In 1936 he married Fiorenza d'Arneiro Johnson, daughter of Edward Johnson, of Metropolitan Opera fame. Not long ago we noticed them enjoying a Promenade Symphony at Toronto. Mrs. Drew did most of the listening while Col. George screwed up his face to take Minicam shots of the audience and players.

• • •

Texan Import

When the members of the Alberta legislature met recently to consider Government policy in respect to conservation of the Turner Valley oil field, the star expert witness was W. F. Knode, lanky Texan oil engineer whom the Social Credit Government obtained as chairman of its oil and natural gas conservation board.

Mr. Knode is virtual czar of western Canada's fastest-growing infant industry, the Alberta oil fields. His handling of conservation policy will determine, perhaps, more than any other factor, the future growth of Turner Valley and the extent to which in years to come the black wealth that lies in limestone over a mile below the surface in southwestern Alberta, is recovered.

• • •

Before the laymen of the Legislature, Knode's greatest difficulty was to reduce oil language and technical knowledge to terms that the present rulers of Alberta could understand. He began with a brief outline of conservation elsewhere and his ideas of what was involved for Turner Valley. Then he sat on the sidelines while operators, counsel and members of the legislature explored the problem for three days. Then he came back to the stand for rebuttal. Meanwhile, he smoked an estimated 15 cigars a day while he watched public opinion unfold; opinion that he must fit into the complicated patterns of large-scale oil control.

After it was over, and the Legislature armed his board with extensive powers, there was no doubt that the Alberta Government is putting utmost faith in Mr. Knode. Hon. Nathan Tanner, Minister of Mines and Lands, told how he obtained the services of the Texan on recommendation of the U. S. bureau of mines.

• • •

"I have always been in an oil field, born and raised in an oil field," was Mr. Knode's introduction of himself to the committee. He started his career at the University of West Virginia, specializing in oil. He worked in the oil fields near by before graduating. Later he worked in oil fields in Oklahoma, Kansas, New Mexico, Texas and South America. Since 1932 he has been a consulting petroleum engineer in the East Texas field, with headquarters at Corpus Christi. East Texas is the biggest field in the world. He was consulted on conservation policy by the State of Montana.

Of Knode, Mr. Tanner said: "I feel we have got someone who has nothing to sell and no one to protect." Knode's salary is $1,000 a month while on the job in Alberta.

• • •

Conservation of oil is a recent development. In Texas where the pioneer work was done, it really started only in 1927, Knode said. Since 1932 every field in Texas has been prorated. The basis of conservation, he said, "should be the use of proration in such a way that each man in the field would share in the field and so that the energy of the field is used to the maximum." In East Texas, conservation had brought control to the degree where there was scarcely any waste.

Factors to be considered as the basis of conservation, he said, were open flow potential of each well; the gas-oil ratio, that is, the measure of production of a barrel of oil in terms of the gas energy required to lift it; bottom hole sampling, and pressure and conditions in the reservoir below the whole field. Allowables permitted to each producer would have to be based on one or all of these factors. In addition, at a later stage, when the relation of marketing to control was raised by members of the legislature, Mr. Knode conceded that sharing of the market outlet among producers should also be considered. "Each man has a share of the reservoir on the basis of his acreage, and should share in any outlet decided upon."

For Turner Valley, a problem of immediate concern will be adjustment of production the year around to secure a uniform monthly flow, instead of allowing practically open flow during periods of big market demand and practically shut-downs at other times.

Militia Masquerade . .

Overhaul is Necessary

Editor, The Financial Post:

As a very old resident of Halifax with many friends who have unselfishly devoted much energy and enthusiasm to militia training, I am greatly impressed with Col. Keene's masterly criticism of present obsolete military management, and trust our authorities will be awakened to a businesslike and popular shake up that will attract our young men to give their energies to the best constructive service to this Canada of ours.

As Colonel Keene states, "A complete overhaul is necessary" and the name "Militia" should be abolished.

Reproduction and distribution of "Our Militia Masquerade" would be a worthy action to stir up and compel a reform so greatly needed.

LANCE CORPORAL,

Dartmouth, N.S.

Support For The Militia

Editor, The Financial Post:

All Canadians owe Colonel Keene a debt of gratitude for his thoughtful article.

When the war broke out what would we have done without the militia. It is true we were not equipped, but the Esprit de Corps was there. Soldiers know from experience what percentage morale counts for in appraising the value of a fighting force.

The militia has never yet recovered from the hit-and-miss system of recruiting which was inaugurated upon the outbreak of war. Had the existing units of the militia been used as recruiting depots and the officers and men sent forward, earmarked for their units in the field, i.e.: first, second, third and fourth battalions of such-and-such militia units, officers and men upon their return from overseas would have felt that their home was their home unit and would have undoubtedly continued their interest in the militia after the war.

We need constructive suggestions to educate John Public as to the great value the militia has been and is to Canada so that when the time comes to put the fork of increased taxation in his eye and turn it around a few times, he will like it.

What causes me the greatest concern, however, is the lack of cadet training in schools. I never thought I would live to see the day when so much indifference would be shown in the physical training of our boys and girls.

JOHN A. GUNN,

Toronto.

Stop Me If . .

A tramp was sleeping behind the bunker of a golf course when the club secretary, prowling around kicked him none too gently and ordered him to clear out.

"And who are you?" demanded the tramp.

"I'm secretary of the club," said the official.

"Well," replied the tramp, "that's no way to get new members."

In the Mail . .

Dining Car Arithmetic

Editor, The Financial Post:

Don't make me laugh by saying the C.N.R. "gave" $1.57 worth of food and service for $1, and the C.P.R. "gave" $1.42 worth of food and service for $1. When you have gone in the diner, did you get 50 cents worth for your dollar? Was not the toast cold, soggy and burnt? Was not the coffee terrible? Was that steak nice and juicy and not singed on the top? Why do so many people jump off the train at Divisional Points for lunch? You know it is not because he can get $1.57 worth of food on the train for his dollar. Also the majority travel tourist.

Did you ever travel on the American lines and compare the prices of their meals,—particularly the Santa Fe?

COMMERCIAL TRAVELLER,

Winnipeg, Man.

State-owned Railways

Editor, The Financial Post:

There appears not the least bit of a sign that we are approaching a plan of solution to our railway problem, with the solution a long way off. This is astonishing considering the vast amount of talk, writing, etc. People are concerned, they consider it, cuss it and drop it. It's not that it's too hot to handle, you can get around it but you cannot get through it, it's there as big as all outdoors but you cannot get hold of it, if you grab it in one place it bulges out in another, you can see it but you can't handle it. It's in the blood stream so to speak, and it is going to stay there unless mind prevails over matter.

The style "Canadian National Railways" is a royal sounding name, and who can argue that it is not too rich a title to be taken lightly, perhaps it captures the imagination too much for our good. Analyzing a little farther, Canadians like themselves, we also like to be considered a nation, the word "National" fits very nicely with our ambitions. Suppose we substitute the "State-Owned Railways." That conveys something to do with our Government and politicians, Canadians don't like their Government and they like their politicians less. Our "State-Owned Railways" are for the Government's use and politicians.

We have heard of a great problem being solved in little ways, and the coining with good currency some such substituting title might do the trick. Nothing approaching ridicule, but something inverse to such a royal style as "Canadian National Railways."

What we have not yet discovered and would appear we never will is that all our governing bodies are democratic. On the other hand, private business is highly autocratic, consequently our Government cannot possibly operate a business enterprise at a profit, it just doesn't make sense. But who is there to recognize this truth when we talk our Government into competition with private business?

C. K. MOORE.

Montreal, P.Q.

The Munich Pact

Editor, The Financial Post:

In "The Nation's Business" (Nov. 26), you again criticize those who do not see eye to eye with you over the Munich settlement. Nobody can object to that if such criticism is fair and reasonable, but, two of your statements seem to me anything but that.

You say that Mr. Hoover's quiet, calm pronouncement is worthier than the abusive scorn of those who speak of the shameful surrender of Munich and speak of it as a prelude to a larger war.

Why should Mr. Hoover's pronouncement be more worthy than the others? Is it merely because it agrees with your opinion? If those of the opposite opinion sincerely believe that it is a prelude to a larger war, surely their criticism of what they consider wrong and dangerous is worthy. Is The Financial Post in the happy position of being omnipotent and can guarantee that such is not the case, or is it fallible, like the rest of us and merely letting the wish be father to the thought?

Is The MacLean Publishing Co. unworthy for having criticized the Bren gun contract? According to the statements of several persons, it is. In fact it has been accused of abusive innuendo, etc., and The Financial Post bleated about the unfairness of such criticism and of its pure intentions. Many unbiased persons have given The MacLean Publishing Co. the benefit of the doubt.

You also say that Mr. Chamberlain is condemned for not having gone to war, No doubt there may be a few with such views but The Financial Post is well aware that such is not the view of the vast majority of the critics. They believe that Mr. Chamberlain need not have surrendered what he did nor have gone to war and there is a great deal of evidence to back up that belief.

C. S. PARKER.

Toronto.

As Others See Us . . . .

The West and Mr. Hepburn

Edmonton Journal

In the opinion of The Financial Post it is time for Mr. Hepburn and Mr. Bracken "to smoke the pipe of peace," for "after all they are both heads of great provinces mutually dependent on each other for prosperity, mutually concerned about preserving the national well-being."

This financial journal is in an especially favorable position to appreciate how necessary it is, if Canada is to be a strong, united nation, that proper regard be paid to the problems of each of the country's constituent parts. It tells Mr. Hepburn that he would be less ill-tempered in response to the appeals of men like Mr. Bracken if he were better acquainted with the difficulties confronting the western and the maritime provinces.

There has been plenty of evidence that Mr. Hepburn's attitude is not that of the large majority of Ontario citizens. This is made clearer than ever by the article in The Post. It may be taken as representing the viewpoint of most of the business interests of that province and should help greatly in bringing about the Ontario leadership that is so essential in the task to be undertaken on the basis of the commission's report.

Week in Business

Business Trend Slack Christmas Trade Slows

Mild Weather in Urban Centres Intensifies Irregularity and Hesitancy Shown by Current Measures of Activity

Business is heading toward the end of the year without any very strong trend having developed in the closing weeks sufficient to warrant more than qualified confidence for the new year.

Even the annual speed-up in pre-Christmas retail and wholesale trade has failed to produce the expected volume.

* * * *

No doubt this was partly due to the persistently mild weather in central Canada, and the comparatively mild conditions in western centres. It will take snow and crisp cold to compel Christmassy loosening of purse strings and turning of improved farm purchasing power into the winter goods trade.

At the same time, there are signs that the weather has been but a contributing factor in a retail trend that reflected the general softness. The industrial-business machine in both the United States and Canada appears to be coasting uneasily, while the public waits to see which way political and economic pointers are going to swing.

Business Indicators

Current business showing slight further downward drift; D. B. S. weekly index for early December reported at same figure as parallel week a year ago.

Grain exports continuing in expanded volume, newly issued figures for November showing a 50% gain in wheat shipments and rise of 17% in flour exports over same month last year.

Car loadings continue in lower volume than year ago, reduced total for merchandise and industrial shipments more than offsetting gains in grain deliveries; combined total for week ended Dec. 3 off nearly 6%.

Industrial activity irregular, the seasonal restriction of shoe production in October carrying volume 10% below the same month last year; ten-month total off 12%.

Raw material purchases and **commodity prices** showing little strength or regularity; cotton imports for October falling off 7%, with cumulative total for year down 14.5%.

Current trend in Canadian business shown by The Financial Post Index of business activity and in following table of key factors, new figures for the week marked thus▲.

	Dec. 3	Nov. 26	Nov. 17	Nov. 12	Dec. 4/37
Commodity prices	73.4	73.5	73.6	73.5	82.5
Weekly index	106.1	106.6	108.4	106.5	106.1
	Oct.	Sept.	Aug.	July	Year Ago
Financial Post index	■115.7	112.6	109.2	109.0	124.3
Retail index no. of sales	80.4	79.2	76.4	77.6	80.4
Dept. store "	76.6	76.8	74.7	75.3	79.5
Wholesale "	97.9	106.7	98.2	90.1	107.4
Country (% change) fr. last yr.	....	—3.9	—0.8	—4.2	....
Employment D.B.S. Index—					
	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Year Ago
All industries	114.6	116.7	115.1	112.1	125.2
Manufacturing	110.9	112.5	113.8	110.0	119.0
Wage earners, No. (000)	....	....	2,402	2,378	2,587
Living costs‡	....	$17.35	$17.41	$17.70	$17.51

	1938	1937	Jan. 1 to date 1938	Jan. 1 to date 1937	% Change
Railways—					
Carloadings, week (Dec 3)	▲47,707	50,563	2,273,982	2,457,415	—7.4
C.N.R. gross, week (Dec. 7) $	▲3,525,132	3,757,486	170,582,804	185,934,669	—8.3
C.P.R. gross, week (Dec. 7) $	▲2,934,000	2,856,000	133,244,000	135,679,000	—1.8
C.P.R. net revenue (Oct.). $	6,046,430	4,279,107	13,377,224	17,353,048	—22.9
C.N.R. net revenue (Oct.) $	4,650,861	3,431,576	2,195,607	13,959,438	—84.3
Iron and Steel (October)—					
Pig iron production (tons)	50,657	80,922	605,502	735,361	—17.6
Steel ingots and castings prod. (tons)	76,256	114,527	987,261	1,191,989	—17.1
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Oct.)	5,392	4,356	81,044	100,741	—19.6
Factory output (Oct.)	5,412	7,378	94,140	125,194	—24.8
Trucks and Buses:					
Domestic sales* (Oct.)	1,124	1,491	23,268	27,253	—14.6
Factory output (Oct.)	362	725	35,340	44,580	—21.0
Exports (Oct.)	2,946	4,090	50,038	59,508	—15.9
Financing (Oct.)—					
Used $	2,500,679	2,262,682	31,467,243	31,234,983	+0.7
New $	2,024,494	2,060,611	29,501,985	35,778,155	—17.5
Construction—					
Contracts awarded (Nov.) $	15,019,700	14,716,300	176,592,400	213,293,100	—17.2
Cement, bbls. (Sept.)	701,327	942,196	4,224,965	4,792,317	—11.9
Agriculture—					
Flour prod., bbls. (Oct.)	1,906,385	1,489,185	11,088,504	11,118,378	—0.2
Flour exp., (Nov.)	▲477,875	405,921	3,546,801	3,749,333	—5.4
Wheat exp., bus. (Nov.)	▲21,703,514	14,542,227	98,195,773	89,372,080	+9.8
Cattle sales (Oct.)	▲93,902	126,578	638,279	853,211	—25.1
Hog sales (Oct.)	▲63,589	90,274	569,220	835,262	—33.0
Sea Fisheries (Oct.)‡—					
Catch, cwts.	1,029,650	848,800	8,085,530	7,987,623	+1.2
Landed value $	1,402,320	1,030,090	15,935,752	15,550,638	+2.4
Newsprint (tons)—					
Production (Oct.)	254,872	315,477	2,169,532	3,051,527	—28.9
Exports (Oct.)	248,067	302,325	1,967,385	2,830,793	—30.5
Mining and Oils—					
Coal prod., tons (Oct.)	1,483,709	1,712,369	11,333,734	12,559,259	—9.8
Coal imports, tons (Oct.)	1,457,481	1,837,501	10,938,485	13,386,677	—18.4
Gold prod., fine oz. (Sept.)	409,612	348,528	3,460,693	3,021,340	+14.5
Nickel prod., lb. (Sept.)	16,914,931	19,026,072	159,863,075	166,972,120	—4.2
Copper prod., lb. (Sept.)	50,238,306	48,063,788	441,216,461	378,097,890	+16.7
Crude oil prod., bbls. (Sept.)	886,111	303,983	5,316,574	1,903,168	+179.6
Crude oil imp., bbls. (Oct.)	3,639,000	4,538,274	30,197,632	32,497,337	—7.0
Electric Power Output (Oct.)—					
Total monthly m.k.w.†	2,329,428	2,365,052	21,268,733	22,711,255	—6.3
Foreign Trade—					
Imports (Oct.)	$63,908,940	82,112,749	569,861,699	675,130,782	—15.6
Exports (Oct.)	$102,718,779	103,684,388	792,198,643	938,655,997	—15.6
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (Oct.)	144,296	149,547	1,352,951	1,576,946	—14.3
Shoes, prod., pr. (Oct.)	▲1,760,996	1,984,112	18,582,752	21,100,634	—11.9
Cotton, imports, lb. (Oct.)	▲17,639,000	19,113,000	103,699,000	121,287,000	—14.5
Raw rubber imp., lb. (Oct.)	7,031,956	13,436,546	45,644,541	64,403,360	—29.1
Cigarette cons. (Sept.) No.†	587,592	578,668	5,751,514	5,579,878	+3.0
Sugar manufactured, lb.§	158,865,134	158,494,897	792,999,928	822,174,714	+3.5
Finance—					
Bank debits (Oct.) $	2,932,817	2,905,802	25,010,198	29,159,030	—14.2
Bond sales (Oct.)	$118,697,138	51,695,900	945,722,638	986,290,971	—4.1
Life insurance (Oct.) $	31,854,000	33,416,000	307,467,000	314,713,000	—2.3

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 8, 1938.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
‡For average family per week, food, fuel, rent. ■Final.

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THE KING EDWARD CAN HELP YOU

Not only do we promise you a dinner so full of that old-fashioned goodness that it will challenge your most treasured memories of home, but a carefully selected programme of entertainment in perfect keeping with the occasion.

DECEMBER 24th
Special Shoppers' Luncheon in both the Oak Room and Victoria Room at à la carte prices.
Special Musical program with the Canadian Singers' Guild under the direction of Walter Bates.

DECEMBER 25th
Special Christmas Family Dinner (12 p.m.—3.30 p.m.) .... $1.50 per plate
Musical program includes Romanelli's Concert Orchestra and The Victorians.
Christmas Festive Dinner from 6 p.m... $2.50 per plate with complete musical program comprising the Canadian Singers' Guild under the direction of Walter Bates; also The Victorians (Canada's Finest Costume Quartette).

As usual, Luigi Romanelli and his orchestra will be in attendance.

Phone Your Reservations to WA. 7474

King Edward HOTEL

P. KIRBY HUNT, *General Manager*

Foreign Business

Gradual resumption of normal industrial and business activity in European countries affected by the Czech crisis, is indicated in reports of the United States Department of Commerce. Recent trends and factors affecting business in foreign countries are summarized by the Department as follows:

Argentina—Commercial and industrial unsettlement over foreign-exchange developments in November resulted in some suspensions and cancellations of orders.

Germany—Return of reservists and workers to normal occupations in October made possible resumption of building activities interrupted by the September crisis; the dislocation of business caused by mobilization, however, will probably affect industry and commerce for a considerable period.

France—Business recovered during first half of October much of the loss arising out of the September political crisis, although anxiety still felt over pending legislation.

Belgium—Economic improvement in most branches during October and financial markets more confident while placing of deferred business aided industry and trade.

Yugoslavia—The favorable trend of economic conditions interrupted during the third quarter but industry remained fairly active and crop yields were good.

Japan—Sentiment improved with the announcement that law regarding dividends will only restrain corporations paying dividends in excess of 10% from raising them further.

China—Japanese commercial shipping is active from Shanghai to several Yangtze River ports and in a more limited way as far as Hankow; industrial production has been speeded up at Shanghai.

British Malaya—Internal business has improved since the first of October despite some nervousness over the European situation and imported merchandise is moving more freely.

Netherland Indies—The economic situation, though fairly satisfactory, has failed to show additional pickup since the first week in October; imported goods are still moving rather slowly.

Foreign Exchange

Pressure against sterling which was relieved for some days last week was again renewed with the quotation at Toronto on Monday of $4.70¾. The premium on New York funds was higher at 1%.

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Dec. 12	1.01	1.00 15/16
Dec. 10	1.00⅛	1.00 15/16
Dec. 9	1.00⅞	1.00 13/16
Dec. 8	1.00⅞	1.00 13/16
Dec. 7	1.00 13/16	1.00 13/16
Dec. 6	1.00 13/16	1.00 13/16
U. K. Pound	**Closing**	**Last Year**
Dec. 12	4.70¾	4.99⅞
Dec. 10	4.71½	5.00⅛
Dec. 9	4.70⅞	4.99¾
Dec. 8	4.71¼	4.99¾
Dec. 7	4.72	4.99¾
Dec. 6	4.73⅜	5.00

Other Currencies, Dec. 12

Australia	3.77	Italy	.0531½
Belgium	.1706	Japan	.2754
Czecho.	.0345½	Jugoslavia	.0235
Denmark	.2103	N. Zealand	3.80
France	.0265	Norway	.2367
Germany	.4050	S. Africa	4.70⅛
Greece	.0087	Sweden	.2468
Holland	.5492	Switzerland	.2287
Hungary	.2002	Hong Kong	.2945
India	.3526		

Blue Ribbon Shareholders Approve Reorganization

Preferred and common shareholders of Blue Ribbon Corp. have approved a reduction in dividend rate of the preferred shares to 5% from 6½%, the new rate to be cumulative from Nov. 1, 1938.

Arrears of dividends on the 6½% preferred shares, of $50 par value, which amounted to $8.75 a share at Nov. 1, 1938, will be liquidated by increasing the redemption price of the stock from $52.50 a share to $61.25.

Preferred shares will participate in any dividends paid on the common.

It is the intention of the directors to declare a 62½ cent dividend on the new preferred payable Feb. 1, 1939.

An increase in capital, by the creation of 10,000 preferred shares, of $50 par value, was also authorized by the shareholders. At the present time it is stated that directors are not contemplating issuing the stock.

A WELL BALANCED PROGRAMME

A BANK ACCOUNT
LIFE INSURANCE
LIVING PROTECTION

The properly managed income requires all three. Are you using *all* of them?

The *LIVING PROTECTION* plan of Investors Syndicate offers you the opportunity of building up, easily but surely, a financial reserve against later requirements. And the earlier you start to build that *LIVING PROTECTION* reserve the larger you can rightfully expect it to become, and the more you can reasonably plan to do with it. Write to the nearest agency office for our booklet; "A New Plan of Life".

INVESTORS SYNDICATE
(Established 1894)
RESOURCES EXCEED $125,000,000

Agency Offices of INVESTORS SYNDICATE or INVESTORS SYNDICATE LTD.
at St. John, N.B., Montreal, P.Q., Sherbrooke, P.Q., Three Rivers, P.Q., Ottawa, Ont., Toronto, Ont., Hamilton, Ont., London, Ont., Windsor, Ont., Fort William, Ont., Winnipeg, Man., Regina, Sask., Saskatoon, Sask., Calgary, Alta., Edmonton, Alta., Vancouver, B.C., Vernon, B.C.

Brazilian Board Changes Give Shareholders Concern

Brazilian Traction directors have not yet given shareholders any indication as to what action they plan to take with regard to filling the two vacancies on the board of directors.

Death of D. B. Hanna and Sir John Aird removed two of the company's directors and reduced the Canadian representation on the board. At the last annual meeting on June 22, 1938, in Toronto, vacancies left by the death of R. C. Brown and the resignation of J. W. McConnell were filled. John Davidson, president of the British Empire Trust, London, England, and E. H. Stewart of the Toronto legal firm of Blake, Lash, Anglin & Cassels were the new directors elected at that time.

At present there are a number of Brazilian directors who are associated with Blake, Lash, Anglin & Cassels. C. D. Magee, E. H. Stewart, Walter Gow, K.C., and S. G. Crowell are all connected with this firm. Walter Gow is a vice-president of Brazilian and Miller Lash, K.C., is president.

Sir Thomas White, who is chairman of Canadan Bank of Commerce, and E. R. Wood, a vice-president of the bank, are the other Toronto directors. Sir Alexander Mackenzie, one of the founders of the company, lives in Florence, Italy. H. Malcolm Hubbard, a vice-president of Brazilian, A. P. Holt and John Davidson are in London, Eng., A. W. K. Billings and Sir Herbert Couzens, both vice-presidents, are in Rio de Janeiro, Brazil.

There is considerable speculation current among shareholders as to what changes can be expected in the Brazilian Traction board.

It is known that Miller Lash has recently returned from Brazil. In view of the political and economic changes in that country recently, shareholders are also wondering if some statement may not be forthcoming before long which would do much to remove the uncertainty which has hung over the company's shares for a considerable period.

Background of Business

Trade Pact and Tourists

Canada's tourist trade may suffer some slight loss as a result of the recent trade agreement between Great Britain and United States. This agreement, which comes into effect on Jan. 1, has substantially reduced the American duty on British woollens, table linens and other luxury goods. It is products of this description which are in such demand by American tourists in Canada.

British woollens, china and linens have always entered Canada at a much lower duty than United States and, of course, even under the new agreement they will still enter at a lower duty though there should not be such disparity in future between Canadian and American prices of these products.

* * *

No Odorless Paint Yet

An odorless paint is still an imaginary goal of the manufacturers, comments Canadian Paint and Varnish Magazine. If such a paint could be produced and would be of equal quality with the ordinary kind in present use then it would be a distinct advantage in many redecorating jobs. "A great many people," says Paint and Varnish, "find the odor of fresh paint distasteful and as a result owners of business and residential properties badly in need of sprucing up sometimes put off the task with consequent loss to paint manufacturers and decorators. Not so long ago in Great Britain a court decided that the painting contractor might be held responsible for loss of business attributable to the smell of fresh drying paint. So far, however, this aspect of the case has caused little concern in Canada.

* * *

Glasgow Repercussions

From a business point of view the Empire Exhibition at Glasgow, Scotland has been disappointing. About the only local interests to have profited appear to have been the hotels and transportation companies, a Financial Post correspondent learns. Storekeepers state that tourists went to the exhibition without doing any local shopping. The people of Glasgow are said to have spent their money at the exhibition which otherwise would have been spent in the stores.

In addition to losing shopping many of the larger Glasgow firms were asked to guarantee the financial success of the exhibition and some are now worried for fear they may have to make up a deficit. Estimates range anywhere from nothing at all to ten shillings on the pound guaranteed. It is expected, however, that at the most backers will not have to put up more than three or four shillings on the pound promised.

From an attendance point of view the exhibition seems to have been a huge success. Total is expected to come close to the 12 million mark and this during one of the wettest summers Scotland has ever experienced. Had there been better weather, it is stated, attendance would have undoubtedly reached 15 millions. There is no thought of continuing the show next season.

* * *

Better U. S. Farm Outlook

Somewhat better farm prices are expected in the United States next year by the Bureau of Agricultural Economics of the United States Department of Agriculture, according to the current forecast. This news is of particular interest to Canada, especially in view of the fact that the recent trade agreement which comes into effect January 1 will permit larger shipments of Canadian cattle, potatoes and other farm products to the United States. As price is an important factor in governing these shipments, any improvement across the line should be reflected in this country.

The Bureau predicts that the domestic demand in the United States is more reassuring than the foreign outlook. Industrial activity and consumer incomes in the United States are expected to average substantially higher next year. Foreign conditions affecting export prices of United States farm products on the other hand are expected to be less favorable.

It is predicted that there will be increased production of livestock and livestock products in the United States with a possible decrease of production of crops already in large supplies which, of course, refers to wheat, and some other southern crops like cotton and peanuts in which Canadians have no interest.

Farm production costs are expected to be about the same as in 1938 and government payments are expected to be increased.

THE HOUSE OF QUALITY (Registered)

MAN'S GIFT TO WOMAN

Will be More Appreciated
—if it comes from Fairweathers!

This year the Finest Gifts in Town for "Her" are to be found in our new Ground Floor Gift Shop. Here you will find it easy and enjoyable to do your Christmas shopping. — And remember, there is no extra charge for the distinctive Fairweather Gift wrapping.

"Feminine Lovelies"
—Designed for Giving.

Silk Lingerie — $1 to $29.50
Perfumes & Cosmetics — 50c. to $25
Imported Gloves — $1 to $7.50
Silk Hosiery — 75c. to $1.50
Wool or Silk Scarfs — $1 to $4.50
Imported Handkerchiefs — 25c. to $1.50
Evening Bags — $2.50 to $12.50
Eng. Leather Purses — $5 to $20
House-Coats & Negligees — $5.95 to $39.50

Distinctive Gifts—Moderately Priced

Fine Furs, Imported Gowns
Dresses, Coats and Wraps

Enjoy Your Christmas Shopping at Toronto's Finest Specialty Shop

Fairweathers

88-90 Yonge St. Toronto

Consumers to Meet With Businessmen

Selling Practice Conference to be Held Next Year

Representatives of Canadian Better Business Bureaus, business organizations, and consumer bodies will participate next year in an organized effort, on a continent-wide scale, to improve relations between business and consumers and inform the latter on the constant campaign to protect them from fraudulent selling methods.

Sponsored by the National Association of Better Business Bureaus, which is supported by the 58 bureaus in Canada and the United States, the effort will culminate at Buffalo in June with the Business-Consumer Relations Conference on Advertising and Selling Practices. At the conference, delegates will canvass the progress in eliminating deception, intentional or otherwise, from advertising and selling methods, and explore means by which further progress can be made in this direction.

Various Canadian groups will be represented on the advisory committee of the Conference, as follows:

Toronto Better Business Bureau—Arthur G. Pinard, sales manager, Lowe Brothers Co.; past president, Association of Canadian Advertisers.

Montreal Better Business Bureau—W. M. Birks, chairman, Henry Birks & Sons Ltd.; vice-president Federation of Chambers of Commerce of the British Empire; past president, Canadian Chamber of Commerce.

Consumers representative—Mrs. George O. Spencer, president, National Council of Women. (Invited on nomination Montreal B. B Bureau.)

In addition to appearing at the Conference as an individual representative of consumers, Mrs. Spencer will represent the Council as a national consumers' organization, while Mr. Birks will also represent the Canadian Chamber of Commerce as a national business organization.

SECURITIES FOR INVESTMENT

Suggestions for the purchase of government, municipal and corporation securities are made to suit the requirements of the individual investor. Consult any of our branches.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

McLEOD, YOUNG, WEIR & CO.
LIMITED
INVESTMENT SECURITIES
TORONTO
Metropolitan Building
OTTAWA — Ottawa Electric Building
LONDON — Richmond Building
MONTREAL — 231 St. James Street
HAMILTON — Spectator Building
Correspondents in New York and London, England.

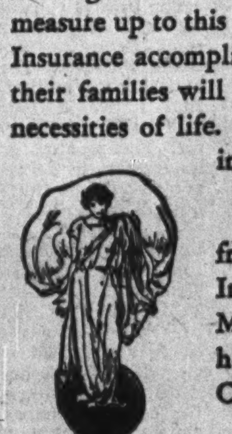
Support Your Credit Manager
WITH ADEQUATE TOOLS
As no single factor in your business dissipates profits as rapidly as bad debts.
Dun & Bradstreet of Canada, Limited

The measure of A GOOD CITIZEN

"No personal possession definitely reflects the character of a man and his love for his family more than does Life Insurance. Adequate Life Insurance means to a man that sense of security and contentment that allows him to much better enjoy the happiness of his worldly goods, as he has that consolation and peace of mind that, whatever happens to him, he has played the game as a worthy citizen."

—T. F. KINGSMILL, *retiring Mayor of London, Ontario.*

Throughout Canada there are hundreds of thousands of men who measure up to this standard of good citizenship. Their savings in Life Insurance accomplish a two-fold purpose. First, they guarantee that their families will continue to have food, clothing, shelter and other necessities of life. Secondly, they guarantee for themselves financial independence in old age.



As good citizens, these men also gain satisfaction from the fact that their accumulated savings in Life Insurance are invested in Dominion, Provincial and Municipal securities—industries and utilities—homes, farms and schools—for the benefit of all Canada.

LIFE INSURANCE
GUARDIAN OF CANADIAN HOMES

Walkers To Set '39 Production At Replacement

H. C. Hatch Tells Shareholders Company Hopes to Share British Market

AVOIDS TARIFF DANGER

Beginning with 1939, Hiram Walker-Gooderham & Worts is planning production schedules in Canada and the United States on a replacement basis, only, according to information given to shareholders at the annual meeting on Dec. 9 by H. C. Hatch, president and chairman of the Board.

During 1938 the company's plants at Peoria, Walkerville and Toronto operated at slightly higher rates than a year ago. At Peoria the rate was 85% of capacity as compared with 76% a year ago.

Only place where the company's operations will still be expanding is in Scotland where stocks will be mounting for a considerable period and additional warehouse space will have to be provided. Mr. Hatch discussed the Dumbarton plant saying that: "The plant had fully met our highest expectations."

Three Self-contained Operations

World-wide tariffs and nationalistic sentiment were the reasons, according to Mr. Hatch, that the company adopted the programme which has resulted in its operating three complete undertakings in the United States and Great Britain as well as in Canada.

"At best, tariff in every country rests upon a basis of political uncertainty," said the chairman. "Consequently, it is impossible to rely upon the continuity of any export business that is dependent upon them." He feels that centralization of manufacturing facilities would make the company's scale of export operations, which involves production and maturing of huge inventories, highly hazardous. He points out that the wisdom of indentifying the company with the countries and policies where it operates has been well demonstrated.

Although progress in Great Britain will necessarily be slower, he says, because of the well entrenched position of competitors, "I believe that over a period of a few years we will make substantial headway in that market."

With regard to the recently-completed trade treaties, Mr. Hatch takes definite satisfaction in a continuation of present tariff on Canadian whiskies and feels that "our industry should benefit in common with others from the increased economic activity in higher level of prosperity and purchasing power that will result."

Sales Higher

Mr. Hatch mentioned that the company's sales increased not only in dollar volume of products shipped, but also in physical volume.

Speaking at the same meeting, H. R. Walton, vice-president and general manager, said that dollar volume of sales was up from $64 millions to $67 millions, or 4.7% as compared with an increase in case sales of over 9%. The smaller rise in dollar sales as compared with physical volume is attributed to a decline in general price level in which the distilling industry has shared.

Mr. Hatch referred to the company's policy of consistent advertising, particularly in the daily and magazine press. In the year ended August 31, 1938, the company spent $2.8 millions for this purpose and "your directors submit that this outlay is fully justified."

Explains Goodwill Write-off

He refers to the balance sheet change brought about by writing off the $9.5 millions of goodwill. This item principally represented the excess of the original cost of acquiring the stocks of subsidiary companies, chiefly Hiram Walker and Sons, Ltd. and Gooderham and Worts Ltd., over the book value of the net tangible assets of these companies at dates of acquisition. Mr. Hatch says that the actual value of the goodwill of the companies is greatly in excess of the $9.5 millions but that it is almost impracticable to place an accurate market value on the intangible assets.

A change in the method of carrying the company's investment in Canadian Industrial Alcohol Co. to approximate cost rather than market value is made on the basis that the investment is permanent, making the market quotation irrelevant.

Mr. Hatch admits that the liquor industry in the United States still has serious problems to face, but adds that production in the United States is on a sounder basis than in the early years after repeal.

Brand Establishment

Mr. Walton, in his report, refers to progress made in establishing the company's brands in the United States. He discusses the progress made in controlling bootlegging activities in the United States. Bootlegging on a nation-wide scale, he said, is already a thing of the past.

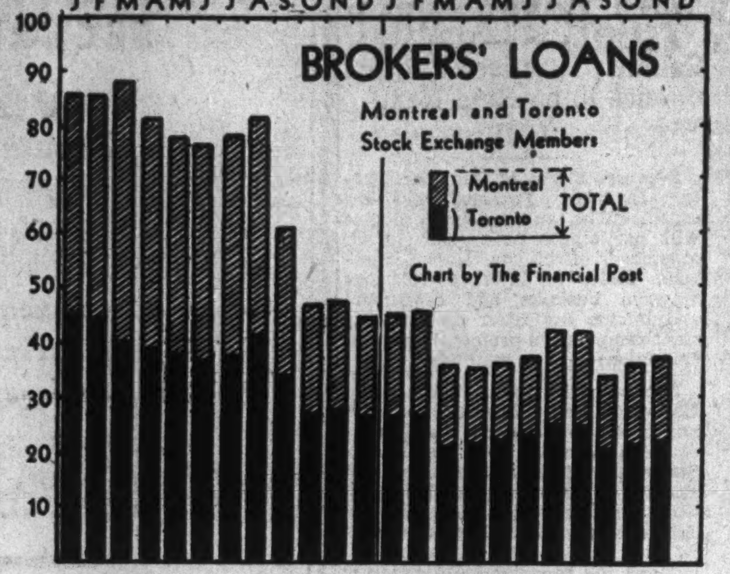
As a source of revenue to the Federal Government in the United States, the liquor industry is second largest, exceeded only by the income tax.

Expect Reduction in Manufacturing

During the past year the company's investments in the United States rose from $30 millions to $34 millions largely as a result of a further increase in whisky stocks. The warehouses being filled on Dec. 1, 1938, indicated that the company is now producing on a replacement basis. A reduction in the manufacturing operations for the current fiscal year is, therefore, expected, according to Mr. Walton. Returns for the past year on the by-products recovered increased 11.3% over the preceding year.

Shareholders at the annual meeting approved the company's proposal for retirement annuity and group life assurance plans for employees.

Mention was made of the election of Ward Wright, K.C., Toronto, to the company's board of directors to replace the late W. J. Hume. Other directors of the company include: H. C. Hatch, E. D. Gooderham, F. K. Morrow, J. F. Lash, G. T. Chisholm, L. M. McCarthy, Toronto; T. H. Gibbons, Windsor; R. A. McKinlay, Glasgow; H. R. Walton, Grosse Pointe Farms, Michigan.



BROKERS' LOANS CHANGE SLOWLY

Comparatively small gain in amount of collateral borrowings of member firms of the Toronto and Montreal Stock Exchanges is in line with lack of trading activity in recent months. Since September there has been small, but consistent, gains bringing the total back to the level prevailing in the early months of the year.

Dominion Stores Outlook

(Continued from page 1)

retail food merchandising and results failed to follow the upward lead of the two previous years.

Lay Down Programme

In the middle of the present year Dominion Stores made a stand against conditions that have threatened to place the company in serious difficulties. Under the direction of a new executive, policies have been placed in force which are designed to completely overhaul and "revitalize" the organization. In the latter part of November, J. W. Horsey, vice-president, was appointed president, and E. Gordon Wills moved to the position of chairman.

François Faure, vice-president of Consolidated Paper Corp., was elected a director in November. Other members of the board are: N. L. Nathanson, J. W. Horsey, Stewart G. Bennett, Morley Smith, K.C., Rolph R. Carson, Toronto; James B. Jameson, Concord, N.H.; Richard O. Johnson, Montreal.

An extensive programme has been laid down, officials say, the main objectives of which are:

(1) Complete renovation of the company's stores, as speedily as possible, and a weeding out of unsatisfactory units.

(2) "Revitalizing" the personnel, including courses for clerks of two classes—apprenticeship and senior employees, and improvement of service to customers.

(3) Establishment of better relations with the public, the public authorities and employees. The latter policy has been pursued largely through the medium of newspaper advertising and includes a number of goodwill features with the farmer.

(4) Elimination of waste in operations and a consequent curtailment in operating costs.

Remodelling Stores

There have been many evidences of the remodelling of the company's units. Considerable experimenting has been done and a new type of store has been evolved that is said to overcome the drabness of the old type and at the same time retains some of the Dominion Stores' characteristics.

There has also been a substantial pruning of units. At the end of 1937 there were 475 stores in operation, distributed as follows: Ontario, 319; Quebec, 124; Nova Scotia, 20, and New Brunswick, 12. At Nov. 28, 1938, this figure had been reduced to 463. In some areas a number of smaller units have been closed and one large unit established to take care of the business.

The proposed acquisition of the Toronto stores of Stop & Shop Co. would increase the number of stores operating in this area. There are approximately 38 units of this chain in the Toronto territory, but all of these units would not be operated by Dominion Stores in the event of acquisition.

The best of the Stop & Shop stores would replace a number of Dominion Stores operated at present.

The sizeable decline of profits of this organization in recent years has been largely attributable to an inability to keep operating costs in check. While sales per store have varied, with a down trend since 1929, profits have shown a disproportionate drop in that time. The tabulation below clearly shows this trend.

	Sales per store	Earnings per store	% profit to sales
	$	$	%
1926	36,068	911	2.53
1927	37,805	975	2.58
1928	42,990	1,028	2.39
1929	47,662	1,144	2.40
1930	45,853	1,009	2.20
1931	44,056	914	2.07
1932	42,592	668	1.57
1933	38,515	661	1.72
1934	38,051	37	0.01
1935	36,555	*1,248	*
1936	39,825	*134	*
1937	41,765	98	0.02

*Deficit or loss.

Operating Economies Effected

Substantial economies have been effected in operation during the current year, but the full benefit will not be reflected in the statements for 1938. It is believed that not until 1939 will the present programme make itself felt.

Experiments are being carried out at four units, two in Ontario and two in Quebec to ascertain the preferences of customers. The results are being closely studied so that any change found desirable may be made.

Test stores at Lachine and Lachute, Que., and Orillia, Ont., have shown that the self-serve system has increased sales volume. A self-serve unit was recently set up in Toronto.

While a number of organizations have found the self-serve stores profitable, Dominion Stores has retained essentially the same characteristics that it possessed at inception, including individual service. Officers of the company feel that this service possesses definite benefits in the smaller communities. The giant drive in "super-market" type, first established on the west coast of the United States is regarded by Dominion Stores as having reached its zenith. On this premise, despite the programme to "revitalize" the units, the essential features of the present merchandising set-up will probably remain the same.

In a survey of 1,500 housewives, it was found by Dominion Stores that there was an almost even split on the question of self-serve vs. individual service. In the present campaign the "personal touch" is being stressed by the management.

Considerable stress is being placed on advertising, particularly the goodwill aspects of public relations. Dominion Stores is trying to come to terms with the taxing authorities by placing the organization on amicable terms with its customers and the various governing bodies.

Laxity in not presenting its case to the public until recently by chain stores is charged by Mr. Horsey. It is argued that chain stores have raised the standard of living by reducing food prices, thus allowing a greater percentage of income to go to luxuries. The current campaign is being pointed toward that goal.

Chain Store Tax

The rise of "discriminatory" chain stores taxes, especially in Quebec, is unquestionably a difficulty of the multiple organizations. A tax of $1,000 makes continuance of operations on this basis impossible, according to the company. Since 1926, in only three years, 1928, 1929 and 1930, have average earnings on stores been sufficient to meet this levy. It is claimed that the tax is directed toward eliminating the chain stores and not to raising moneys for municipal purposes.

The Montreal tax is being contested by Stop & Shop and Thrift Stores on the grounds that it is discriminatory and ultra vires of the province. Dominion Stores has paid the tax without resort to litigation, preferring to discuss the entire matter with the authorities. The cost to the company was $49,000 for 1938, but since the year end the number of stores operated has been reduced to 57 stores, so that the tax for the forthcoming year will be slightly less than that amount.

Payment of this amount has meant the difference between a profit and loss in operation of the Quebec stores.

There are indications that a moderate sentiment is making itself felt in Quebec municipal politics, and a change of heart on the part of the authorities would be a very welcome thing to chain stores operating in this area.

Outlook for Company

What is the outlook for the coming year?

That is dependent upon the course of prices and of competitive conditions, which are admittedly not good. The latter is not likely to improve unless some means of price stabilization is found. It is believed that the long-term outlook for food prices is upward. Combine that with a substantial decrease in operating expenditures and an improvement would be indicated.

Another factor which would weigh heavily in any consideration of the situation is the effect that the acquisition of the Toronto Stop & Shop stores would have on the organization. This is a good operating area for grocery stores, but results of such an assimilation are as yet obscure. It would mean one less organization with which to compete.

The working capital position of the company is strong enough to allow acquisition and operation of the units without any critical impairment of its position. At the end of 1937 this amounted to $2.2 millions, including cash of $534,553, call and demand loans of $564,900, and accounts receivable, after reserve for bad debts of $212,440. The most valuable asset of Stop & Shop that would be acquired is that of good leases.

There are no securities ranking ahead of the 280,014 common shares of no par value, therefore profits are shared only by the common shareholders.

Seek N. Y. Delisting

The SEC is considering the application of the company to delist its stock from the New York board, while the New York Exchange is opposing the motion on the grounds that it would impede the ready trading of the shares of U. S. holders. The greatest portion of shareholders are in Canada, and the company contends that the returns required by the Exchange are expensive. At Jan. 31, 1938, it was estimated that 45.95% of the company's shareholders (owning 41.41% of the stock) resided in the U. S., and 35.61% (owning 29.17% of the stock) in Ontario, the remaining 18.44% being distributed over the rest of Canada and in other countries.

No dividends are being paid on the common shares at the present time. The last payment was made on Jan. 2, 1935. The following tabulation shows earnings on the shares and surplus:

	Shares outstand.	Earnings per share	Surplus
	$	$	$
1929	272,269	2.17	1,071,149
1930	277,715	1.91	1,267,003
1931	282,382	1.85	1,201,049
1932	282,382	1.28	1,113,623
1933	282,382	1.20	1,077,278
1934	282,382	0.06	749,510
1935	282,382	*2.16	117,444
1936	280,014	*0.23	51,869
1937	280,014	0.17	98,590

*Deficit or loss.

M. & O. Reorganization

(Continued from page 1)

the last report of the trustees mention was made that some of these mills, in particular that at International Falls, has been shut down and at Keewatin and Hudson a reduced scale of operations has continued for some time.

May Sell Finland Plant

M. & O. has had another source of grief in its operations in Finland. Although operations of the Finnish mills have required the full capacity of the property and sales have been made at reasonable price levels, it is understood that this part of the property is not considered desirable and attempts are being made to dispose of it.

One matter which has occasioned bondholders considerable mystification has been the failure for any portion of the report prepared by Day & Zimmerman, Inc., to be made public or at least made available for bondholders. This report was prepared at the instigation of the trustees for the company and was completed some months ago. It is understood that the report did not make many constructive recommendations regarding the property. It is believed to have been confined mainly to a survey of the property with some suggestions for improving operating efficiency.

The trustees are carrying on the programme of plant improvements needed to increase the efficiency and lower the cost of the company's mills.

Question Kraft Venture

The only major item of plant improvement for 1938 has been the rebuilding of No. 3 paper machine at the International Falls mill. This was designed to put this machine in condition to make groundwood specialty papers.

The purchase of power from Winnipeg Electric Co. has proved advantageous to M. & O. Prior to the negotiation of this contract, frequent difficulty was experienced with low water levels which made the generation of power difficult. Now the Kenora mills, one of the more important portions of the company's properties are assured of a continuous supply of power.

National Pole

The matter of National Pole and Treating Co. is also receiving consideration. This subsidiary, engaged in the purchase, treatment and sale of poles, ties and cedar pilings, has in the past been a substantial profitmaker. Operations for the past few years, however, have been unprofitable and the matter to be decided is whether or not the properties should be kept or disposed of. It is known that both the bondholders protective committee and the trustees are exceedingly reluctant to surrender the company's investment in National Pole and Treating without salvaging something.

The trustees have been quite successful in rebuilding the company's current position. Net working capital as at Sept. 30, 1938, amounted to $6 millions. Current assets, including cash of $482,453, amounted to $7 millions and current liabilities to somewhat under $1 million.

Success in maintaining and improving the company's cash position is understood to have made unlikely any necessity for issuing prior lien bonds to raise new capital if and when a reorganization is proposed.

There is an important section of opinion which holds that M. & O. Paper Company's future lies in specializing in newsprint production only. It is known, however, that this opinion is by no means unanimous and this controversy may have had considerable to do with the delay in bringing forward a reorganization plan. Some of the company's mills, particularly the Kenora and Fort Frances plant, are believed efficient newsprint producers, but the same cannot be said of some others.

Minnesota & Ontario has been operated for some time now by three trustees. The trustees are C. T. Jaffray and S. M. Archer, Minneapolis, and R. H. M. Robinson, New York. Bondholders are represented by a committee including Frank K. Shrader, chairman; Charles S. Garland, Frank M. Gordon, R. P. Mathiessen, William A. Smart, Henry D. Thrall, A. D. Cobban and R. S. Waldie. The two latter are the Canadian representatives.

Report Criticizes B. C. Coal Firms

Maintains Industry Should Increase Its Efficiency

From Our Own Correspondent

VANCOUVER.—While the Provincial Government's action through the Petroleum and Coal Board, to reduce gasoline prices in British Columbia has been temporarily stalemated by an injunction pending court trial early in the new year, Mr. Justice M. A. Macdonald, chairman of the commission which investigated the fuel situation, has brought down the third and final section of his report.

This section declares that under the present set-up in British Columbia the oil companies have it in their power to strangle the domestic coal industry by reducing the price of fuel oil to such a point that coal could not compete with it economically. The report claims that the oil companies could compensate for the loss on fuel oil by increasing the price of gasoline.

The report criticizes the coal companies, however, for failure to make tests showing the relative costs and merits of coal and oil as fuel, and maintains that the coal industry should increase its efficiency which in turn would reduce its cost of operation.

National Revenues Drop

Surplus of the Dominion Government in the first eight months of the current year was $15.5 millions lower than in the same period of 1937, amounting to $23 millions.

This deterioration in the budget position is largely due to increased expenditures. Smaller revenues, however, have also played a part.

Actually, revenues have held up very well in view of the recession of business. In the eight months ended Nov. 30 revenues were only $1.8 million below the same period of 1937.

The good showing on the revenue side is due to higher income tax collections resulting from larger individual incomes and increased company earnings in 1937. Income tax collections for the first eight months amounted to $124.7 millions, an increase of $22.4 millions.

Offsetting the higher income tax receipts are lower collections from all other sources of revenue. Customs receipts are down $10.4 millions and excise and sales tax receipts $12.2 millions.

Expenses Up $13 Millions

Expenditures for the period are $13.7 millions higher. Ordinary expenses are up $5.7 millions. Losses on government-owned enterprises, such as the Canadian National Railways, the Trans-Canada Air Lines and the National Harbors Board, show an increase of $12.5 millions.

Relief expenditures in all categories are lower. Expenditures on relief works are $2.3 millions lower, on relief grants-in-aid to the provinces $1.6 million and on drought relief $1.6 million. In the remaining months of the year there should be substantial savings in the latter item.

November revenues were down $4 millions and expenditures increased $1.7 million.

Comparative figures of revenue and expenditure are given below:

Revenue and Expenditures
Month of November

	1938	1937	Change
Receipts	$000,s	$000's	$000's
Customs duty	7,240	9,196	— 1,956
Excise duty	4,726	4,885	— 159
Excise & sales taxes	15,199	18,269	— 3,070
Income tax	4,456	3,336	+ 1,120
Post office	3,043	3,025	+ 18
Sundry	1,868	1,860	+ 8
Special	1	2	— 1
Total	36,534	40,574	— 4,040
Expenditures			
Ordinary	42,129	39,403	+ 2,726
Capital	831	315	+ 316
Relief	4,121	4,944	— 823
Govt. enterprises	2,105	2,847	— 742
Write-offs	84	47	+ 37
Total	49,270	47,556	+ 1,714
Eight Months Ended Nov. 30			
Receipts			
Customs duty	55,896	66,307	—10,411
Excise duty	36,210	36,721	— 511
Excise & sales taxes	107,713	119,876	—12,163
Income tax	124,748	102,366	+22,382
Post office	21,100	21,300	— 200
Sundry	12,340	12,898	— 558
Special	401	862	— 461
Total	358,408	360,330	— 1,922
Expenditures			
Ordinary	263,081	257,358	+ 5,723
Capital	3,644	2,848	+ 796
Relief works	9,397	11,737	— 2,340
Relief grants	10,058	11,669	— 1,611
Drought relief	3,656	5,301	— 1,645
Govt. enterprises	45,214	32,624	+12,590
Write-offs	406	227	+ 179
Total	335,456	321,764	+13,692

Louisiana Land to Pay Extra 5-cent Dividend

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. has declared an extra dividend of five cents a share on its common stock, payable Dec. 23 to shareholders of record Dec. 16.

Along with the quarterly payment of 10 cents made on Dec. 15 this brings dividends for the year to 45 cents, compared with 50 cents a share in 1937.

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Dosco Bonds

Please be good enough to let us have a report on Dominion Steel and Coal 6¼% bonds. We would like to know your opinion on the outlook for the company, whether or not interest charges will be covered.

Dominion Steel and Coal 6¼% bonds are an interesting investment medium. While the company has certain small underlying obligations, the 6¼% income bonds rank as a senior charge of the company. At the end of 1937 there were only $4,-408,000 of these bonds outstanding. Interest charges were covered by a wide margin in 1937, resulting in the payment of all "arrears" and while earnings in 1938 are expected to be somewhat lower, still it is expected that the interest on the income bonds will not only be covered but paid in full.

The equity back of the income bonds amounts to $7.902 for each $1,000 par value bond. Two very interesting features in connection with these bonds are: Holders are entitled to receive, pro rata, an amount equal to 10% of any payment to class B shareholders, over and above the rate of $1.50 a share per annum, and, secondly, the bonds are convertible at any time for four fully-paid non-assessable class B shares for each $100 principal amount.

High Grade Bonds

Does it look as though current prices on high-grade Government bonds will continue and is the present an advantageous time to buy?

Prices of high-grade bonds are nearly at the high point of the century, and it would seem improbable that they could advance much from present levels. Yields, consequently, on the best bonds are very low.

There is no unanimity of opinion on this question of interest rates. Authorities disagree on the trend, but those who do not see any rise in rates do not forecast a drop, but a continuance for some time at the present levels. The other and probably larger faction points to conditions which would cause a rise in rates, acceleration of business activity and absorption of large amounts of idle capital and a diversion of funds from high-grade issues to the more speculative. This, it is felt, will soften the price of the former and improve yields to the investors. Institutional buyers appear reluctant to invest in long-term issues at this time, probably on the premise that a gradual improvement in rates will be forthcoming, but favor short and middle-term maturities.

Laura Secord

I am told that Laura Secord is going to expand its operations. Does it appear that the new dividend rate can be covered from earnings?

Laura Secord Candy Shops' activity so far has been confined to the area served by "studios" in Montreal and Toronto, the two largest marketing fields in the Dominion. An agency business is carried as far west as Winnipeg. Chain store candy shops do not come within the scope of the Montreal chain store levy. A possible sales outlet in England has been suggested for Laura Secord alone, or in conjunction with Fanny Farmer Candy Shops, Inc., whose management and policies are closely allied.

Regular dividends of $3 a share were paid on the 57,500 common shares for a number of years. After control of the company was relinquished by Senator O'Connor and the stock split five-for-one, a quarterly dividend of 20 cents a share was declared on the new stock.

Payments of 80 cents annually on the new common shares would require net profits of $230,000. In the past eight years these requirements have been met four times. Payment of a $5 bonus on Nov. 7 has reduced surplus. New interests may not follow quite as conservative policies. This would indicate a more liberal policy of dividend payments.

Investors Syndicate

Will you outline the way in which Investors Syndicate operates? What types of investments does it employ and how much is invested in Canada?

Investors Syndicate sells savings certificates which provide for regular installment payments to build up a fixed amount by the end of a period, usually 15 years. At present a net return of 4% is offered, and at this rate 15 annual payments of $120, or $1,800 in all, will give a cash surrender value of $2,500. As in the case of most long-term savings plans, administrative charges are largely deducted in the early years, so that it is not until the seventh year that cash surrender value exceeds the amount of deposits.

Payments may be discontinued for not more than two years and then resumed without penalty. In this case the term of the certificate is lengthened proportionately. During the defaulting period no interest is credited on sums already deposited. At maturity there are various options for taking a cash payment or leaving funds on deposit to earn further interest.

Under the terms of the contract the Syndicate agrees to maintain $110 in cash and investments for every $100 of certificate liability. Investments are to be in first lien on improved real estate, government and municipal bonds and other securities which qualify as investments for life insurance companies under the laws of New York State.

Since the organization of Investors Syndicate at Minneapolis in 1894, assets have grown steadily, amounting to $111.3 millions at the end of 1937, against $90.9 millions in 1936 and $3.7 millions in 1921. Net assets available for certificate liabilities at Dec. 31, 1937, amounted to $103.8 millions, which was 127.93% of total cash surrender values, and 109% of cash surrender values plus contingent liabilities in connection with ultimate claims.

Investments in Canada at Dec. 31, 1937, amounted to over $4.5 millions, exceeding liabilities to Canadian certificate holders. This is not required by law, but is in line with the Syndicate's policies of investment diversification. Canadian investments are part of the general assets of the Syndicate. They are not specifically set aside for Canadian certificate holders. Relatively small sums are deposited with various Government departments to comply with regulations. Operations of Investors Syndicate fall under the jurisdiction of various branches of government control in the different provinces and states, the measure of supervision varying according to local laws.

Burns & Co.

What is the outlook for Burns & Co.? Is the company going to be hurt by the recent trade agreements?

Burns & Co. has sent a statement to The Financial Post saying that they expect the recent trade treaty between Canada and the United States will, in the final analysis, improve operating conditions for the company.

Earnings in the current year have not been as satisfactory as those of the corresponding period in 1937, due partly to a shortage of cattle and hogs in the Canadian West. Difficulties of the same nature have been encountered by other companies operating in this area. Because of a shortage of fodder in 1937, livestock was reduced and volume handled by the company has been curtailed. These unfavorable conditions have unquestionably been reflected in the earnings of the organization.

In 1937, sales showed an increase over 1936. Operating profits decreased to $716,979 from $937,703 in 1936. Obligatory interest on bonds was earned 2.28 times after depreciation and income bond interest, 1.30 times in 1937.

Brazilian Subsidiary Bonds

What information can you supply regarding Rio de Janeiro Tramways Light & Power 5% bonds, Sao Paulo Electric 5% bonds and Jardim Botanico Tramway Co. 5%, 1951 bonds? Where can I obtain quotes on these bonds and in what currencies are interest payments made?

Rio de Janeiro Tramways, Light & Power and Sao Paulo Electric are subsidiaries of Brazilian Traction. Jardim Botanico Tramways is a subsidiary of Rio Trams, operating under contract with the parent company. These three issues are listed on the London Stock Exchange.

Brazilian Traction agrees to provide funds to pay the interest on Rio Trams bonds if earnings are insufficient. Interest and sinking fund payments on Jardin Botanico bonds are guaranteed by Rio Trams. Brazilian Traction agrees to set aside from the gross earnings of Sao Paulo sufficient sums to meet the interest and sinking fund requirements, and in the event of the earnings falling short, to provide the difference from its own revenues.

Interest on the Sterling issue of Rio Trams 5% bonds, due 1958, is payable in sterling at the Canadian Bank of Commerce in Toronto or London. Interest on the Jarim Botanico bonds is payable at the Canadian Bank of Commerce in Toronto or London, or at the agency of the bank in New York City. Interest on the bonds of Sao Paulo Electric is payable at the Canadian Bank of Commerce, London, or, at the holder's option, at the Canadian Bank of Commerce, Toronto, or the agency of the bank in New York City at the current rate of exchange.

The unfavorable rate of exchange on the milreis has been a distinctly unfavorable factor in the company's operations. At the present time the trade situation upon which the milreis is reliant is not as good as last year, but there has been improvement in recent months. Services of the organization continue to expand at a satisfactory rate and results of the year's operations are expected to compare favorably with those of last year.

Gypsum, Lime

What is the outlook for Gypsum, Lime & Alabastine (Canada) shares?

Gypsum Lime and Alabastine, Canada, Ltd., year ended Nov. 30, 1938. In view of the fact that sales in the lime division have been down somewhat for the first portion of the year and that manufacturing costs were somewhat higher, it is rather unlikely if the company showed much improvement over a year ago when 14 cents a share was earned on the common stock. With the greater proportion of its products taken by the building and construction industry, the company is dependent on progress made in reaching predepression levels of building activity before any substantial earning power is likely. It has developed an important source of business in the mining industry and the pulp and paper industry of Canada. A curtailment of activity in the latter, however, was largely responsible for lower sales in the early months of this year.

The company's stock is a speculation in the development of building in this country. Ahead of the 440,-043 common shares there are $3.2 millions of 5½% first mortgage bonds and $506,000 of 6% mortgage bonds of a subsidiary. Sinking fund payments on the company's bond issue is in arrears although in the last two or three years it has made considerable progress in purchasing bonds to make up requirements in this line. For all of 1938 it is probable that building construction in this country will be down perhaps 10% to 12% from a year ago but those interested in the trade are looking for a substantial improvement in the spring.

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Outline Status Queen's Hotel

Raymond Tells Bondholders of Reasons for Deferring Interest

From Our Own Correspondent

MONTREAL. — Faced with the necessity of a capital expenditure of $40,000 for repairs and the problem of depreciated earnings, the management of Queen's Hotel Ltd. deferred bond interest due on Nov. 1 until such time as the cash position is restored.

In a letter to the bondholders Donat Raymond, president, sets forth in detail the financial position of the company since 1930 and the reason for the present action.

No Profits Since 1930

The last year in which the company showed a profit after interest and depreciation was in 1930. From 1933 to 1936 bond interest was not covered. Since then there has been a moderate improvement, largely through a reduction in depreciation reserve, but the company still is in the red as far as net profits are concerned.

Year	Net Revenue $	Bond Interest $	Loss after Deprec.* $
1930	213,973	75,000	†13,135
1931	119,735	74,300	21,678
1932	91,510	72,970	48,573
1933	68,446	71,348	70,063
1934	24,399	69,818	78,905
1935	40,614	67,782	60,836
1936	55,832	60,312	38,088
1937	71,035	60,612	22,985
1938	80,824	60,106	12,992

*$125,838 in 1930; $67,113 in 1931-1932; $67,161 in 1933; $33,687 in 1934; $33,708 per annum to date. †Surplus.

During the period 1930-1938, $248,-800 of bonds were retired through sinking fund, this having been done partly out of reserve created previous to 1930.

As at February 28 last, the company's balance sheet showed current liabilities of $84,051 and current assets of $66,561, leaving a deficiency in the working capital position of $17,490.

Operations for the six months ended August 31, 1938 (the best period of the year) show operating revenues before interest of $11,593. Interest on the outstanding bonds during the same period amounted to $29,902, leaving a deficit of $18,308.

Power Stations Register Gains

October Output Shows Seasonal Advance — More for Export

From Our Own Correspondent

MONTREAL. — Canada's central electric stations report an output for October of 2,329,428,000 kw.h., an increase of 7.6% compared with the previous month and a drop of only 1.1% from October a year ago, according to returns released by the Dominion Bureau of Statistics. The increase as compared with September is explained in part by the larger number of days during October.

Firm power consumption rose to 1,624,738,000 kw.h. in October from 1,530,546,000 in September and compared with 1,655,879,000 in October, 1937.

Exports to the United States last October totalled 165,455,000 kw.h. This contrasts with 151,691,0000 kw.h. in the previous month and with 142,-736,000 kw.h. in October last year.

Deliveries for electric boilers, reflecting the improvement in newsprint production, advanced from 481,407,000 kw.h. in September to 539,236,000 kw.h. in October. In October last year deliveries amounted to 566,436,000 kw.h.

Standard Chemical Cuts Six Months' Loss in '38

Standard Chemical Co. lost $13,903 in the six months ended Sept. 30, 1938, an improvement over a loss of $15,422 in the corresponding half of 1937. It is the last half of the year that gives the company its largest volume of business and M. L. Davies, president, expects the final half-year will be equal to that of a year ago. This should indicate that the final figures would be a little above last year's net profit of $49,495, equivalent to $1.33 a share on the common stock.

The smaller loss in the latest period was achieved in spite of a drop in sales from $600,969 to $572,949. In the year ended March 31, 1938, sales were $1.5 million.

The lumber end of the company's business has been below normal and, while there has been an increase in demand lately, prices are still below those of a year ago. Continuation of the better demand would result in a reduction of the excess stocks throughout the country and probably an improvement in prices.

Faith in Canada's Future

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David et Frere Pays Bonus on Class A Stock

From Our Own Correspondent

MONTREAL. — David et Frere Ltd., Montreal biscuit manufacturers, have declared a regular dividend of 15 cents and a bonus of 10 cents a share on the A stock, payable December 31 to shareholders of record December 15.

In the previous quarter the company paid a bonus of 10 cents a share which brings the total disbursements for this year to 75 cents a share.

Charges Met By Bruck Silk

Small Balance for Common — Net Working Capital Maintained

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills financial statement for the year ended Oct. 31, 1938, was in line with expectations. Bond interest and depreciation were covered with a small balance left over for the capital stock.

Gross income last year totalled $296,325. This compares with $330,-422 the year before. After expenses, bond interest, and a reserve of $44,924 for depreciation, there was a net profit of $1,257. In previous year the company wrote off $93,876 for depreciation and showed a net profit of $17,169. Earnings on the capital stock for the past year were equal to one cent a share against 13½ cents the preceding year on 125,000 no par value shares.

Maintain Working Capital

The consolidated balance sheet shows that net working capital was well maintained. Current assets totalled $851,990, as against $886,260 a year ago.

There were no particular changes in respect to the current items.

Among the liabilities, the bank loan was reduced during the year from $100,000 to $75,000. Funded debt declined from $427,800 to $416,600.

Comparative figures on the profit and loss account follow:

Income and Surplus Account
Years Ended Oct. 31

	1938 $	1937 $
Gross trad. profit	295,722	329,953
Add: Other income	603	469
Net income	296,325	330,422
Less: Expenses	220,999	186,262
Bond interest	27,807	28,386
Res. for taxes	1,338	4,729
Depreciation	44,924	93,876
Net profit	1,257	17,169
Less: Divds. paid	......	25,000
Surplus for year	1,257	†7,831
Add: Prev. surplus	467,603	475,724
Adjustment	612	*290
Earned surplus	469,472	467,603
Net per share	$0.01	$0.13½

†Deficit. *Debit item.

Working Capital

	1938 $	1937 $
Current assets	851,990	886,260
Current liabilities	124,469	154,805
Working capital	727,521	731,455

Dalhousie, N.B.—The Provincial Government has approved the application of the town for a loan of $20,-000 under the provisions of the Municipal Improvement Assistance Act. The purpose of the loan is to rebuild the town hall destroyed by fire some time ago.

Sherwin Paint Head Hopeful

No Promises Made But Hopes to Pay Off Arrears This Year

From Our Own Correspondent

MONTREAL. — Sherwin-Williams of Canada's preferred stock arrears "might be cleaned up if business continues on the present basis, and a full year's hopes are realized," stated G. A. Martin, at the annual meeting of shareholders. "We are making no promises," he added, "but it is in the cards."

Sales for the first three months of the current year are up more than 8%, the president stated, and added that a careful estimate has convinced the management that they will run to 10% over the 1938 fiscal year.

Gross sales in the fiscal year ended August 31 last were $90,000 over the previous year, and the present inventory position indicates a profitable position. In other words, Mr. Martin says, "we feel the company is due for a splendid year."

Commenting on the balance sheet, he says the main increase in property account was represented by the new linseed oil plant which is now one of the company's best money-makers. He also said that marketable securities shown at $164,000 as of August 31, were being disposed of as rapidly as the company could do so.

Directors were re-elected and reports approved.

Montreal Stock Trading Increases Over Last Year

From Our Own Correspondent

MONTREAL.—Value of transactions on the Montreal Stock Exchange and the Montreal Curb Market during November totalled $25,-280,793. This represents a drop of $5,470,750 from the corresponding October figure of $30,751,543 and compares with $23,159,334 in Nov., 1937.

International Paints Pays 25c on Arrears

From Our Own Correspondent

MONTREAL. — International Paints (Canada) Limited, has declared the regular dividend of 5% for the twelve months ended Sept. 30, 1938, and an additional dividend on account of arrears of 1¼% or 25 cents a share on the new 5% cumulative participating preferred stock, payable on Dec. 21, to shareholders of record Dec. 9.

Montreal Stock Houses Form Managers' Guild

From Our Own Correspondent

MONTREAL.—Office managers of the Montreal Stock Exchange and Montreal Curb Market member firms have formed an association under the name of "Stock Brokers Office Managers Association."

This association has been formed for the purpose of closer co-operative effort in the management of offices and matters pertaining to the relationship of member firms with the Montreal Stock Exchange and Montreal Curb Market.

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Construction

Housing Loans Show Upturn

November Totals for N. H. A. and H. I. P. Reflect Advance

Continued expansion in residential construction financed under Dominion legislation is shown by latest bulletins issued by the department of finance covering loans during November under the National Housing Act and Home Improvement Plan.

Amount of loans during the month under Part I of the N.H.A., for erection of new dwellings, showed an increase of 172% over the same month last year, while the number of loans was nearly three times as great. In the four months since the present Act replaced the Dominion Housing Act (1935), total of loans was almost double the amount for the August-November period in 1937.

In regard to the Home Improvement Plan, the November total of $1,201,957 represented a 31% advance over November last year. This accelerated the upturn in H.I.P. loans which began in September, and lifted the total of loans for the past three months to an amount 22% ahead of the parallel period in 1937. Since inception of H.I.P. in November, 1936, a total of 58,908 loans have been made for a total of $23,521,504.

N.H.A. Totals

November loans under the National Housing Act totalled $1,739,865, the largest monthly total since the original statute was inaugurated in 1935, excepting June, 1938. The loans provided 507 family dwelling units through 316 loans. Total of loans since operations began three years ago now stands at $26,436,628, covering 6,755 dwelling units.

Feature of N.H.A. operations last month was making of loans for the first time in 34 municipalities.

During November 40 additional loans were made for 90% of the lending value of the dwelling unit, under the provision applying to houses costing $2,500 or less. Under the guarantee applying to loans in smaller communities and "remote areas," an additional 141 loans were made, bringing the total of such loans to 400. Of the 507 housing units financed during the month, over 70% were covered by loans for $3,500 or less.

Loans for Housing Construction To Nov. 30, 1938

	N.H.A.	H.I.P.
	—000's of $—	
Ontario	12,544	11,001
Quebec	6,843	4,495
British Columbia	3,751	1,941
Nova Scotia	1,809	1,408
Manitoba	876	1,417
New Brunswick	505	767
P. E. Island	80	156
Saskatchewan	25	427
Alberta	nil	1,905
Total	26,436	23,521

Construction World

Gargoyle Trouble

City officials at Toronto are having gargoyle trouble. The grotesque stone carvings jutting 12 feet from the base of the frame for the city hall tower clock, 300 feet above ground, are showing signs of deterioration. Some small fragments have already broken away from the ton-weight ornaments. Fear that the disintegration might result in serious injury to roofing or passing pedestrians, led to erection of scaffolding around the clock tower and close examination of the decorations. They may have to be removed.

The incident may prove somewhat of a shock to those accustomed to regard stone construction as almost perpetually enduring, and who have seen or read of ancient European structures whose stone construction and ornaments have shown little sign of wear. It is surprising that the stone decoration of Toronto's clock tower should disintegrate after less than 40 years. It should be pointed out, however, that the gargoyles are made of red sandstone, which is more porous than such hard stones as granite.

The gargoyle dissolution no doubt will be seized on by local critics of the city hall as further evidence of the mistakes committed when the building was put up at the turn of the century. There are many Toronto architects and aesthetes who regard the Toronto city hall as an architectural abortion. Furthermore, it long ago failed to provide sufficient accommodation to house the staffs of the various civic departments, despite the claim when it was built that it would meet the city's needs for many years.

* * *

Council Revives

The meeting of the National Construction Council executive committee in Toronto the other day gave signs of renewed activity on the part of this federation of all branches of the construction industry—designing, manufacturing, erection and labor. Since its annual meeting in the spring, there have been few signs of life in the organization, giving an impression of suspended animation due to lapse of active support within the constituent associations. At the recent executive meeting, however, indications were that such a condition—if it existed—has been overcome, and the way paved for active resumption of the Council's functions.

Steps were taken at the meeting to renew performance of one of two of the Council's most important duties—co-ordinated study of the interests and problems of the industry as a whole, and interpretation of those problems to the general public. The executive also moved to promote greater volume of operations under the National Housing Act, Home Improvement Plan, and Municipal Improvements Assistance Act. The Council's backing of the last mentioned statute may be challenged, in view of the questionable status as "self-liquidating projects" of some of the undertakings for which loans have been made. However, one can appreciate the support of the Council for the attempt through the Act to assist financing of needed municipal works and stimulate building employment.

* * *

Sign of greater participation in the affairs of the Council of the Royal Architectural Institute of Canada was the elevation to the executive of Burwell R. Coon, representative of the Institute on the Council. This gives the R.A.I.C. strong representation, as president of the Council, Gordon M. West, is also an architect. This is perhaps only appropriate, as Mr. West and the R.A.I.C. were primarily responsible for formation of the Council a few years ago.

Similarly, more active ssupport from the Canadian Construction Association is expected from appointment of John W. Gooch to represent the C. C. A. on the Council.

Rackets

Hoodwinking the Press

The way of the racketeer is too often made easier, and that of fraud prevention efforts much harder, by the failure of businessmen and citizens generally to take even the most elementary precautions to protect themselves against swindles. In many cases, this indifference is intensified by the ability of promoters to further their schemes by newspaper publicity. Sometimes editors are misled through failure to check up on the validity of enterprises for which publicity is sought, sometimes through brazen abuse of newspapers' readiness to assist ostensibly worthy causes.

A recent case in a Canadian city illustrates how the press can be imposed on by petty racketeers and sponsors of doubtful schemes. The newspaper in question blossomed forth with a half-column story and a picture layout regarding a plan purporting to assist the unemployed to earn money for work at home. On the face of it, the scheme was perfectly legitimate and laudable in purpose.

But apparently the newspaper did not know and certainly did not mention that the sponsor of the plan had collected over $100 from local citizens as contributions to get the scheme going. A couple of phone calls to the local better business bureau and the civic authorities would have revealed that over 50% of the amount collected had gone, on the admission of the promoter, for "lunches and carfare" for the "committee." The committee consisted of the sponsor and a friend, and their wives. Disbursement of some of the money could not be accounted for.

It is also regrettable, of course, that the businessmen and others who made donations did not enquire into the status of the scheme and its sponsor, or learn if proper supervision was assured for both the collection and disbursement of the funds.

New Building

Dominion Dept. of Public Works has awarded contract at $188,700 for construction of pavement, sidewalks, promenade, terrace, etc., around the newly completed National War Memorial on Connaught Place, Ottawa.

Congregation of the Grey Nuns, Montreal, is planning establishment of a million-dollar tuberculosis sanatorium at Cartierville, Montreal suburb.

Dumarts Ltd., Kitchener, Ont., has awarded contract for addition to its plant. The present contract and an addition completed last summer involve expenditure of over $50,000.

Dept. of National Defence has awarded contract at $44,251 for erection of hangar at St. Hubert airport, near Montreal, for use of the non-permanent militia air squadron in the Montreal district.

Cub Aircraft Co., Hamilton, Ont., is considering erection of a plant adjacent to the Hamilton airport.

Toronto syndicate is reported as acquiring block of property in central section of Toronto as site for slum clearance and low rental housing project under provisions of the National Housing Act.

Dept. of Public Works, Ottawa, is due to award contract shortly for erection of R.C.M.P. airplane hangar at Rockcliffe, Ottawa suburb.

Projects reported by **Engineering & Contract Record:**

Protestant School Trustees of Outremont, Que., have ordered plans drafted for $100,000 school addition.

Canadian National Railways contemplates construction of $60,000 station at Val d'Or, Que.

Quebec Dept. of Public Works has awarded contract for erection of $115,000 prison building at Amos, Que.

School Board of Forest Hill Village, Toronto suburb, has let contract for $150,000 continuation school building.

Ottawa Car Manufacturing Co. is considering erection of plant for manufacture of airplane engines.

Canadian Car & Foundry Co. is contemplating construction of a $250,000 aircraft production plant at St. Hubert, near Montreal.

Supertest Petroleum Corp. Pays 25c Extra Dividend

An extra dividend of 25 cents a share has been declared on the ordinary and common shares of Supertest Petroleum Corp. The extra is payable, along with the regular semi-annual payment of 50 cents a share, on Jan. 3, 1939, to shareholders of record Dec. 16.

This will bring total dividends from 1938 earnings to holders of ordinary and common shares to $1.50 a share, the same amount as paid for 1937.

Brintcan Hold Distillers Control

From Our Own Correspondent

MONTREAL.—Brintcan Investments Ltd., a holding company of the Bronfman family, owned as of October 31, 1938, 702,831 shares of Distillers Corporation-Seagrams stock. This represents more than 40% of the voting power.

Compared with returns submitted to the Securities Exchange Commission a year ago, the holdings at the end of last October showed an increase of 140,000 shares.

At the end of last October, Brintcan also owned 26,150 shares, or more than 15% of the 5% preferred stock. In 1937 no holders of more than 10% of the 5% stock were reported.

B. C. to Ease Pace On New Deal Bills

Premier Says Industry Cannot Stand Much Greater Strain

From Our Own Correspondent

VANCOUVER. — Premier T. D. Pattullo's assertion in the Legislature last week that British Columbia should go slow on social legislation and that the province's industries would be unable to stand a much greater strain of taxation was reassuring to the business community, which had formed the impression that the present session of the house had been more hostile to private industry than any other in the past decade.

The Premier's statement was accepted as evidence that repeated warnings from the spokesmen of business had begun to influence his attitude.

The premier was outspoken against adding more costs to social services. "We know the hospitals need more money," he said. "So do the municipalities. So does the province and the Dominion. And no one at the moment can foresee the solution of this great problem.

"But don't push it too far. We have been moving further in British Columbia in the field of social legislation than any other province in Canada, and don't forget that our industries have to meet unfair competition from other countries. Our industries have been bearing it and apparently are doing fairly well, but don't drive this situation too hard meantime. You can kill the goose that lays the golden eggs."

Jamaica Public Redeems Notes

Operation Reflected in Cash Position — Spend Money on Property

From Our Own Correspondent

MONTREAL. — Jamaica Public Service Co., operating subsidiary of Jamaica Public Service Ltd., has redeemed all of its outstanding notes amounting to $146,000. This loan was contracted in 1937 for the purpose of taking care, in part, of capital expenditures.

Since the beginning of the year, the company has spent $82,095 on capital account, bringing the property account up to $4,367,880.

The financing of the capital expenditures and the redemption of the note are reflected in the consolidated cash position of Jamaica Public Service. At the end of last October, cash and call loans totalled $220,521, compared with $336,591 at the beginning of the year, a decline of $116,070.

Western Bridge Becomes Hamilton Bridge, Western

From Our Own Correspondent

VANCOUVER. — Western Bridge Co., of Vancouver, will in future be known as Hamilton Bridge, Western, Ltd. it was announced by Col. J. P. Mackenzie, general manager.

The change in name is being adopted for the sake of convenience and does not signify any change in ownership or management. Colonel Victor Spencer continues as president and prominent Vancouver business men remain on the directorate.

Western Bridge Company was established here in 1929 as a subsidiary of Hamilton Bridge Co., and it has been considered advisable to indicate more clearly the relationship with the parent company.

Hamilton Cotton Will Pay 50c Arrears Dividend

Hamilton Cotton Co. has declared a dividend of 50 cents a share on arrears of the $2 cumulative preferred stock, of $30 par value, payable Jan. 2, 1939, to shareholders of record Dec. 15.

After this payment arrears will amount to $5.50 a share.

Canadian Tube Declares $2 Dividend on Preferred

From Our Own Correspondent

MONTREAL.—Canadian Tube & Steel Products has declared a dividend of $2 a share on the 7% cumulative preferred stock, payable on Dec. 15, to shareholders of record Dec. 7.

Dominion Coal Output Lower for November

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. reports that production in its 10 Cape Breton collieries totalled 257,246 tons for November. The output was 131,479 tons below that for the same month last year and 58,704 tons less than for October, 1938.

Western Bridge Contract

From Our Own Correspondent

VANCOUVER. — Western Bridge Company, subsidiary of Hamilton Bridge Company here, has been awarded a $140,000 contract for construction and erection of an airline tramway for the Algoma Ore Properties of Ontario.

Steel for the tramway will be fabricated in Vancouver and erected under Western Bridge supervision. Steel for the towers is being supplied by Algoma Steel Corporation.

Ottawa Power Plan is Passed

Four-for-One Split Approved—Change Voting Rights of Preferred

From Our Own Correspondent

MONTREAL.—Ottawa Light, Heat & Power Co.'s plan to split the common stock on a four-for-one basis has been unanimously approved by the shareholders.

By the split, the company's 80,000 authorized common shares of $100 par value, will be converted into 320,000 shares of no par value and the outstanding 35,000 shares will be converted into 140,000 shares. Holders will receive four shares of no par value for each share of $100 par value now held.

The existing 5% cumulative $100 par preferred shares, of which 17,000 are outstanding out of an authorized 20,000, will be unaffected, except that voting balance will be maintained by giving the preferred four votes per share as compared with one vote per share for the new common.

Carnation Co. Declares Extra Dividend on Com.

Carnation Co. has declared an extra dividend of 50 cents on the common stock, payable December 19 to shareholders of record December 12. Regular quarterly dividends of $1.25 a share on the 5% preferred stock and 50 cents a share on the common stock have also been declared, both payable Jan. 3, 1939, to shareholders of record Dec. 12, 1938.

It is understood that Carnation Co., Ltd., a subsidiary, is planning to construct a new plant, which will have a capacity of around 2,000 cases of evaporated milk a day. Construction is expected to begin in the spring.

Famous Players Corp. Declares Common Bonus

Famous Players Canadian Corp. has declared a bonus of 20 cents on the common shares along with the regular quarterly dividend of 15 cents a share, payable Dec. 22 to shareholders of record Dec. 16. Distributions for the year total 80 cents a share with this payment, highest yearly distribution since 1932 when $1 was paid. In 1937 there were payments of 60 cents.

This bonus reflects the better showing being made by the company in the current year.

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1 tin Tomatoes, No. 2½ tin
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1 doz. Oranges
½ lb. Sun Glo Coffee
1 pkg. Jelly Powder
1 jar Jam with pectin, 32 oz.
2 lb. Christmas pudding
1 lb. Seedless raisins
1 lb. Dates
1 lb. Creamery butter
1 lb. Christmas candy
1 lb. Mixed nuts
1 lb. Sliced Bacon
1 pkg. Apples
6 lb. Roasting Beef

Hamper No. 8 — $5.50
1 peck Potatoes
2 tins Peas, No. 2 tin
2 tins Tomatoes No. 2½ tin
2 tins Peaches No. 2 sqt. tins
1½ doz. Oranges
1 pkg. Apples
½ lb. Sun Glo Coffee
2 pkg. Jelly Powder
1 jar Jam with pectin, 32 oz.
3 lb. Christmas Pudding
1 lb. Seedless Raisins
1 lb. Dates
1 lb. Christmas Candy
1 lb. Mixed Nuts
1 lb. Sliced Bacon
1 lb. Creamery Butter
9 lb. Roasting Beef

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Smelters—$4 Millions in One Cent

Sprawling Giant Offers Spectacular Market Performance on Rising Base Metal Prices

By RONALD A. McEACHERN
Staff Writer, The Financial Post

The eighth in a series of articles on Canada's Market Leaders, The Financial Post this week studies The Consolidated Mining and Smelting Co. of Canada Ltd. which in the last 30 years has extended its operations across the Dominion.

Next week: Shawinigan Water & Power Co.

It was betting on the lead box that won Shakespeare's Bassanio the favors of the lady Portia.

And it is "base" lead that brings in the most "ducats" for Canada's sprawling giant, The Consolidated Mining and Smelting Co. of Canada Ltd.

Smelters is a bewildering, rather fantastic colossus.

It owns or has under option 53 mines or mineral properties stretching up the Pacific Coast to the Yellowknife and across the Dominion to Quebec.

It is an exploration company, ranging up and down the Dominion, continually on the hunt for new mines, whether they be gold or base metals.

It is a gigantic industry, with 21 plants turning complex, stubborn ores into fundamental metals the world wants.

It is a great laboratory, performing fabulous tricks of the chemist and searching for new ones to transmute the worthless into dollars, catching green smoke that fills the higher air and turning it into a King's ransom.

Whimsical Giant

It is a light and power company. It controls The West Kootenay Power and Light Co., with nine plants and power sites, and which in turn owns or controls five other light and power companies in southern British Columbia.

It is Canada's closest approximation to a labor Utopia, where labor shares in the profits, does its own hiring and firing and gets paid extra for profit-saving ideas.

It is a whimsical giant that christens its properties with names like Gypo, Molly, Pan and Wolf, Rock Candy.

It is subsidiary to the great transportation system. Canadian Pacific Railways owns a controlling stock interest.

Few companies have such a galaxy of famous executive names for a directorate.

James John Warren is president. Now 68 years of age, he has long directed the enterprise, mainly from his Toronto office. Beginning life as a lawyer, he became president of Trusts and Guarantee Co. of Toronto in 1912. Canada Starch Co. is now about his only directorate not directly associated with Smelters.

Sir Edward Wentworth Beatty, vice-president, is the chairman of the C.P.R.

Directors are: Ross H. McMaster, president of the Steel Co. of Canada; Sir Herbert S. Holt, chairman Royal Bank of Canada; Sir Charles Blair Gordon, president of the Bank of Montreal; W. Norman Tilley, K.C.; F. Gordon Osler, president Canada Permanent Mortgage Corp.; R. S. McLaughlin, president General Motors of Canada and all its subsidiaries; Hon. R. Randolph Bruce, Canadian Minister to Japan; Lorne Argyle Campbell, president of several British Columbia light, power and coal companies; J. C. Hodgson of Hodgson, Summer & Co. and Henry Joseph, director of H. Joseph & Co. Inc., both of Montreal, and finally two whose lives have been devoted to mining, Thayer Lindsley, of Ventures, Limited, and S. G. Blaylock, vice-president and general manager in charge of operations.

Clearly Smelters has an all-star cast for its board.

Here, roughly, is the source of the Smelters income, in 1937:

Lead	$24,000,000
Zinc	15,600,000
Silver	3,900,000
Gold	1,800,000
Cadmium	619,000
Copper	603,000

Speculative Foundation

No other great mining enterprise in Canada operates on such a highly speculative foundation. A one cent change in the price of lead means $4,151,580, up or down, for the company treasury. A one cent change in the price of zinc means $2,853,000, up or down.

For this reason, mainly, Smelter's net earnings shift widely. So does the price of its stock.

Net profits:

1937	$14,669,663
1936	6,593,159
1935	4,306,559
1934	2,211,560
1933	1,056,273
1932	2,908,107

The boom year, 1929, was fairly good for Smelters. Net profit was $8,848,030. Best year before the all-time best year. 1937, was 1926, when net profit was $12,027,399. From present indications, 1938 earnings will be considerably lower than last year.

Compared with International Nickel or Noranda, Consolidated Smelters is in a relatively unfavorable position for meeting metal price fluctuations.

International Nickel produces in important quantity nickel and copper. Both metals are produced in conjunction. But the company has a virtual monopoly on nickel output and in the last analysis controls the price. Hence, if the copper price goes low and threatens to stay low, it is quite possible for International Nickel to adjust its nickel price to maintain profits.

Noranda is in somewhat similar position. By blending the type of ores it processes, it can control output, to meet a high copper price this year, to offset a low copper price next year, having a constant price backlog in gold to stabilize its income.

Smelters does not enjoy these advantages. It controls no metal market exclusively. Its production of gold, silver and other fairly stable-priced products is not relatively large enough to give it protection against world price fluctuations of lead and zinc. Nor do its ores permit high flexibility of output.

Scientific Quest

Smelters weapon for combating fluctuating metal prices is metallurgical skill and research. In this it has excelled. Much of the credit is given to Dr. Blaylock and the staff of chemists and metallurgists he has built up during his 20-odd years with the company. He has led them in one of the longest and most celebrated scientific quests known to Canadian industry.

1890—copper-gold lodes around what is now the city of Rossland were first staked, bringing southern British Columbia into prominence in the world of mining.

1895—copper smelter built at Trail, present heart of the Smelter operations.

1898—the Canadian Pacific Railway bought the smelter during a period of intense competition with the Great Northern railway just across the American border and on completion of the Crow's Nest Pass through the Rockies.

1901—blast furnace installed for smelting of lead.

1902—Smelters starts on its long scientific hunt. It begins experimenting with a process for refining lead.

1906—C.P.R. combines its Trail smelter with various mining interests and Consolidated Mining and Smelting Co. of Canada is born.

1909—the Rossland copper-gold ores are on the decline. The company starts on a vigorous search for new mines.

1909—the company leases Sullivan Mine, world famous and still its main source of ore.

1910—a new metallurgical process to treat Sullivan's refractory zinc-lead-iron ore is now eagerly sought.

1914—Sullivan becomes the largest lead producer in Canada.

1915—War sends the price of zinc to high levels. Smelters struggled with its ore to extract zinc satisfactorily. A plant built, a process developed, economical only because of the abnormal zinc price.

1916—the electrolytic process of zinc recovery was decided upon by the metallurgical staff. For this, vast supplies of low cost electrical power were necessary. Smelters purchased the West Kootenay Power and Light Co.

1917—a year of metallurgical riddles and disappointments.

1920—Success. The first lead concentrate by a complex, highly scientific process called differential flotation.

1923—the 3,000-ton Sullivan concentrator at Kimberley went into operation on this process. Capacity has since been increased to 6,500 tons daily.

1928—production of cadmium.

1930—concentration problem solved; producing high grade concentrates of lead and zinc; fuming plant completed for recovery of lead and zinc from lead blast furnace slag; collection of sulphuric acid and sulphur from smoke begun.

1931—continued research, solution of other metallurgical problems led to recovery and refining of bismuth.

1934—large scale production of fertilizer begun as an outlet for sulphuric acid.

1938—Two new products, electrolytic antimony and an arenic product were added to the list.

Problem Outstanding

For the future—main metallurgical problem still outstanding is utilization of the iron sulphide mill tailings at the Sullivan.

Very probably, Smelters will devise further metallurgical refinements. Its engineers and metallurgists have never failed it in the past.

Early in its career, Smelters faced the problem of depleted mines; the necessity of rapidly acquiring new properties. It went out and bought the great Sullivan Mine.

Since then its explorers have been coursing up and down the country acquiring, optioning examining and dropping properties.

To date—almost 30 years later—it is not evident that Smelters has found another Sullivan mine.

Look at the Smelter properties:

Present Producers

Here, in order, according to tons of ore produced during 1937, is Smelters present battery of producers:

SULLIVAN — 2,218,364. Ore reserves are not given but are stated to be "vast."

PHOSPHATE Claims—54,739. There are several groups of claims near Fernie, B.C., and in Montana, with ore reserves of 7 million tons.

ROSSLAND—8,219. Leased since 1934, all ore shipped to Tadanac smelter.

NUMBER SEVEN—186. A siliceous gold ore property at Boundary Falls.

LUCKY THOUGHT—83. An important producer of silver-lead-zinc ores in the past, it has produced little in recent years.

ANYOX—47. Often known as Granby Point Mine.

SILVER KING—28. One of the big producers in the past. Equipment removed in 1930 and production very small since.

During the year a property added to the list of producers is the Con Group of 14 claims in the Yellowknife, where a 100-ton mill turned over in September and produced its first gold brick.

A 20-stamp mill was set up on the Ross property in Nova Scotia, where profitable operation on a 50-ton per day basis was anticipated.

Other revenue came from the following placer operations in British Columbia: Boulder Creek, 16,000, Inca Placers $11,200 and Nugget Gulch, $805.

Separate Companies

Separate companies, controlled by Smelters, include:

NEW GOLDEN ROSE, went into production with a 100-ton mill July, 1937. This is the old Afton property in northern Ontario.

GOLDFIELDS (Saskatchewan) Ltd., is developing claims next to the Box properties. Smelters holds an interest and has options on additional shares.

ADDINGTON MINES, a subsidiary of which Smelters owns a controlling interest. Took over Rich Rock Gold Mines in eastern Ontario. Plan 250-ton mill.

BUENA VISTA MINING CO. 60% Smelters owned, came into production March, 1938, with a 500-ton mill.

SHERRITT GORDON is not controlled by Smelters but, at last report, had 200,000 of its shares held by Smelters, the price paid being $360,000. This investment at current levels is worth around $420,000.

Prospects

Here are some properties which, on the official Smelters reports, are prospects. Because of this company's policy of not giving out information between annual reports this week's status of some properties is not available.

The Box property at Goldfields, Sask. Construction of a 1,000-ton mill is under way and opening of operations is now understood to await availability of electric power.

Barber Larder, Cheminis, Fernland, three adjoining properties in Ontario's Larder Lake camp, were recently optioned and results to date are encouraging.

Granby Point Mine, a B.C. copper property. Some 3,750,000 tons of ore are said indicated. Company stated there appeared definite possibility of future operation.

Mon Group in the Yellowknife. Staked in 1937. Officials said preliminary work justified trenching and probably diamond drilling. No report since 1937 annual company report.

N'Kana and Demelt Groups, adjoining the Con property in the Yellowknife. Preliminary prospecting failed to indicate ore, but further work planned.

Pan and Wolf Groups—in Gordon Lake area said by officials after staking in 1937 to justify further work, probably diamond drilling.

Cordova Mines, once a small producer in Hastings county, southern Ontario is said under consideration for a 100-ton mill.

Sunloch Mines, controlled by Smelters has a copper prospect on which no work has been done since 1931.

Salmon Gold Mines—Smelters controlled, has had extensive work done to date, at latest reports, with disappointing results.

Ryan Gold Mines—Adjoining the Con property. Expect it will be developed from Con workings.

Northern Lead-Zinc Ltd., properties on south shore Great Slave Lake, controlled by Smelters. Also have petroleum leases.

Aiken Lake—Three groups of claims, Uega, Croydon and Granite Basin.

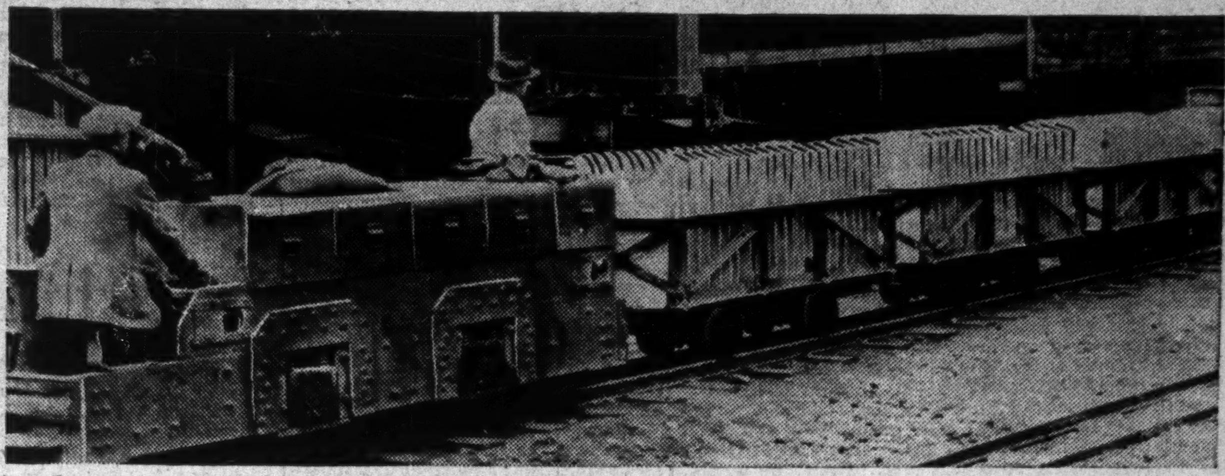
Consolation Creek, in B.C. Shaft sunk to 40 feet in 1937. Some fairly coarse gold found.

Day Option—Adjoining Big Missouri, B. C. Development completed to end of 1937, had not indicated ore.

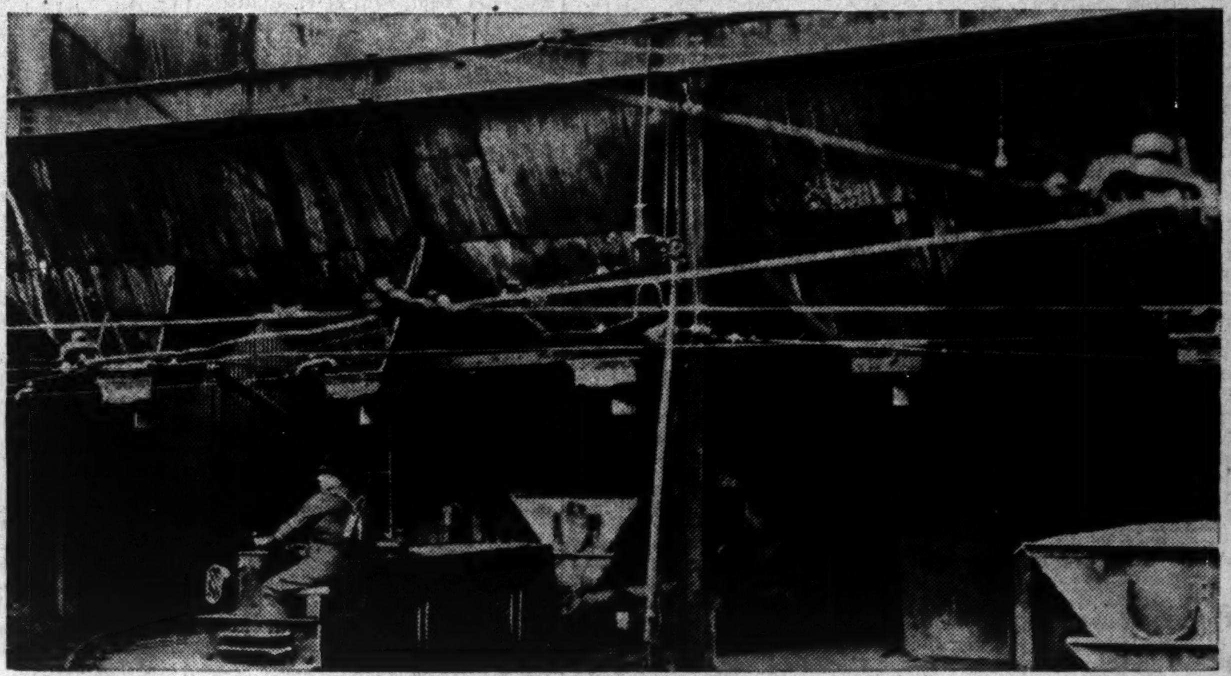
Hermiston-McCauley, Nipissing district, Ontario. Extensive exploration done. Several short sections of commercial ore indicated, reports stated. Option terms were reduced, Dec., 1937. No report since.

Schwinke group, B. C. zinc-lead property, purchased 1930. Surface

(Continued on page 18)



This trainload of pigs goes to market—only they are zinc anodes.



Shaving costs has been Smelters' way to fortune—feeding lead furnaces.

Metal production line.

Canada Attacks Youth Problem

Dominion-Provincial Training Plan Completes First Year of Operation

By R. A. DRAPER
Staff Writer, The Financial Post

Youth training in Canada is just beginning to be recognized as a permanent task of national responsibility.

Within the last two years the machinery of government has been set in motion in Canada to solve this problem, years after the majority of civilized nations have tackled the question.

The past 18 years has seen the training of youth assume a new significance. The rise of dictatorships has witnessed an unprecedented programme of shaping young minds to the particular political ideology promulgated by the state.

Paradoxically, the poorer nations, Germany and Italy, have been in the vanguard of the movement to marshal resources of youth.

If the political ideals which prompted the movements cannot be admired, the effect that they have had in providing vocational training and healthful occupation, at least, should be studied.

Action in Canada

What have the democratic nations done to meet the challenge? What has been done in Canada?

The first recognition of the problem by the Canadian Government came with the appointment of a Youth Employment Committee on Sept. 3, 1936.

The magnitude of the task which confronted the committee is shown in the National Employment Commission report. The most recent census of the Dominion showed that 871,000, or approximately 30% of Canada's 2.5 million wage earners were between the ages of 16 and 25. Approximately 29% of unemployed were in this age group.

The Youth Committee recommended the immediate employment of young men between the ages of 18 to 25 for such diverse projects as forestry, fire protection, beautification of recreational forest areas, mining, trail opening, development work and agricultural projects.

It was estimated by the committee that there were 200,000 jobless youths who would come within the scope of this scheme.

Some of the provinces had already made a start on the youth problem on their own initiative. In British Columbia a young men's forestry training plan was instituted in May, 1935.

The survey culminated in action of the Dominion Parliament, when, at the 1936-37 session, $1 million was voted for the Dominion-Provincial Youth Training Programme. This programme called for a modified federal-provincial programme along the lines suggested by the Youth Committee to the National Employment Commission.

In 1937-38, a further $1.5 million was provided by the Government to carry on the work. It is probable that a similar sum will be set aside in the forthcoming session.

R. F. Thompson, expert in youth training, was appointed Dominion supervisor of the programme.

Expenses of the plan are shared by the Dominion and provinces on a dollar-for-dollar basis and the provinces submit programmes for youth training applicable to their own provinces.

Four Main Objectives

The objectives are stated as: (a) Training projects of an occupational nature; (b) Learnership courses in industry; (c) Work projects to combine training with conservation and development of natural resources, and (d) Physical training programme to maintain health. Enlistment in all courses is purely voluntary.

Young people of 18 to 30 are eligible for enrolment. The provinces are responsible for selection. The majority of the courses started in 1937, with all provinces subscribing to the scheme.

Lack of co-ordination and co-operation between governmental agencies in the Dominion has hindered the plan from achieving maximum results.

To be effective it is essential that direction of the programme should be given to a person thoroughly trained in dealing with the administration of youth programmes. This has not been done in all of the provinces.

In Ontario full benefit of the federal appropriation has not been received. Of the amount allowable from the Dominion only 40% has been utilized.

Results of the programme to March 31, 1938, are outlined by the Dominion Department of Labor.

There were 32,301 men and 23,156 women given training by the various organizations set up in the Dominion. Of this number, 14,649 young people finished the course, and, of these, 3,282 or 22.4% found work.

This number of placements appears small, but it is pointed out that approximately one half of those enrolled were young people from farms, who were given agricultural training or instruction in rural homecraft. In these cases the finding of employment was not a major consideration.

The activities of the Youth Training Plan cover a fairly wide scope, all with the underlying objective of restoration of mental well-being and "recreation."

Classifications

The programme was divided into eight classifications:

Forestry—This course was popular with the provinces, with seven conducting classes.

Mine Training—In one form or another mine training was given in Nova Scotia, Quebec, Ontario and British Columbia. In Ontario a six-months course was conducted at Haileybury. Practically 100% of those who finished training in Ontario and Nova Scotia obtained jobs.

Agriculture—This course was conducted generally throughout the Dominion. Young men from urban centres were placed as farm apprentices with farmers for instruction. In western Canada provincial universities co-operated in the movement and in some cases six-month courses were given by the institutions.

Apprenticeship and Learnership — Under this plan, training was carried out in Ontario and Manitoba. Where employers agreed to take on young people and train them in trades or occupations, the cost of instruction was supplied by the Government. Steps were taken to ensure that young workers were not exploited.

Urban Occupational Training—In several of the provinces, classes were conducted at vocational schools and other locations in motor mechanics, radio servicing, electricity, etc. Advisory committees were formed in co-operation with private organizations. Trial periods

(Continued on page 12)

Home training courses in all the provinces have been popular.

Remarkable Transformation of Canadian Economy Gives Greater Strength to Country

The Canadian Bank of Commerce President Reports Great Changes in Canada's Internal Economy

MINES AND FACTORIES GROW

Business Improvement Expected If Conditions Abroad Permit Export Trade Development.

The Annual Meeting of Shareholders of The Canadian Bank of Commerce was held in the Head Office of the Bank in the City of Toronto December 13th. The annual report, showing continued progress of the Bank, was presented and read, after which the President, Mr. S. H. Logan, and the General Manager, Mr. A. E. Arscott, addressed the meeting.

GENERAL MANAGER'S ADDRESS

Before passing on to discuss general business conditions, I should like to tell you of the operation of the Personal Loan Department which we inaugurated somewhat over two years ago. We started making this new type of loan in Toronto in June, 1936, and by the fall months of that year had its facilities available at all branches across Canada. This new service has been well received by the public as is shown by the rapid expansion of the Department. In a little over two years we have made more than 108,000 individual loans aggregating in excess of $15,000,000. We are very gratified with the response to the efforts we have made to handle small personal loans. The record to date clearly indicates that we are providing a really valuable service for those who require credit on the Budget Saving Plan.

I should like to make it clear that our lending of small amounts is not confined to the Personal Loan Department which has been set up to deal with loans of a special character as a service supplementary to ordinary banking practice. Borrowers requiring small loans of the usual banking type obtain these as formerly, direct from the branches. In the past eleven months, in addition to Personal Loans, there were more than 106,000 borrowers who obtained regular banking accommodation from the Branches in amounts of less than $500, the aggregate sum so advanced being $16,168,000.

There have been many criticisms levelled at the banks in the past on the grounds that they deny accommodation to the small borrower in order to be able to make loans to large corporations, wealthy firms and individuals, but I think the figures I have given you demonstrate that there is no truth in this charge. I can assure you that we have the same policy with regard to all borrowers, large and small. It is that if they are credit-worthy we welcome their business and I know that this is the case with all banks in Canada.

The Banking System

There is nothing mysterious about banking. Our chief function is to accept the deposits of the public and to use these moneys by making loans to assist in the development of agriculture, commerce and industry. In recent years the proportion which loans of this nature bear to deposits has tended downward and the banks have been forced to invest their surplus deposits in high grade securities. This is accounted for by contraction in world trade as well as lower prices for primary products and is not due to a deliberate policy on the part of the banks. It has been claimed with great frequency that banks do not lend as freely as they should, but obviously, if the banks were to loan the depositors' funds without consideration of the prospects of repayment by the borrower, the resulting losses would cause depositors to lose confidence in the banking system and they would be unwilling to place or keep their money in the banks. Banks are able to give valuable service not only to the depositors but to the borrowers of this country as well, solely because they have demonstrated that they deserve public confidence.

There are critics who endeavour to convey the impression that the banks are immensely rich in their own right but this is not the case. The last Government Statement which records the position of all the chartered banks as at the end of October, shows that their loans and holdings of securities amount to $2,663,000,000, while the total of their shareholders' investment was less than 11% of that figure. It is evident, therefore, that most of the money which banks lend is not their own, but comes from the sums entrusted to them by the depositors.

With regard to investment of moneys left on deposit in the making of loans and in the purchase of securities, we expect, of course, to make a profit. Profits are just as necessary in banking as in any other line of business, for operating expenses can only be met from earnings. We have a large payroll and among other general expenditures we have to provide for rents and the upkeep of our buildings, the substantial amount paid out each year representing interest on Savings Accounts, and a very heavy contribution in the way of taxes. In addition to offering a valuable service to the people of Canada the banks are giving employment to the thousands of members of their staffs who spend their income in, and are a real asset to the community of which they are a part.

Bank Taxes Increased

With reference to the very large amounts paid by the banks each year in taxes, some governing authorities appear to assume that banks can stand unlimited taxation, but it should be manifest that the ability of the banks to pay taxes is strictly limited if they are to render adequate banking service throughout the Dominion. They are in no different position in this respect from other taxpayers.

Higher taxes can only be met by increased profits obtained by making heavier charges for the services which the banks render to the public or by curtailing those services through closing branches where earnings do not cover costs There is no magical fund on which the bank may draw to cover taxes or other operating expenses.

Industrial Activity

We are able this year to present a better survey of industrial conditions that heretofore. While we have for many years been continuously in receipt of a wealth of information regarding industrial development, we have felt that a very desirable contribution would be the preparation of a measuring stick showing the activity in this field which has now become so broad and diversified as to place Canada in a high position among manufacturing nations. With the co-operation of many industrialists from coast to coast, whose operations are of varied character and extent, we have prepared an industrial production index which will, we believe, portray factory and mill activity more readily and accurately than has any indicator available heretofore in Canada. It is our intention to make this survey progressive and to show the results in our Monthly Commercial Letter with the hope that it may be of benefit to everyone interested in Canadian industrial progress.

The index shows that industrial production activity in November was 9 per cent. less than a year ago, and that industrial plants were as a whole operating at about 76 per cent. of capacity. This may rightly be considered as a satisfactory record in view of the difficulties encountered by industry the world over during the past year or more.

General Business

The year now drawing to a close has been a difficult one. At its commencement business was still suffering from the recession which began in the United States in the early months of 1937 as a result of too great and rapid an expansion in the latter part of 1936 and the first quarter of 1937. Gradual readjustment occurred until about mid-year, when business activity showed signs of again advancing and the outlook was much improved. Following this encouraging turn we were, as you all know, plunged into a period of grave anxiety due to the international political situation which brought the major European countries to the brink of armed conflict. While diplomatic negotiations were in progress no one could foretell the outcome, business was, of course, profoundly affected, raw material markets much disturbed, security markets greatly depressed, Government bonds declining sharply and foreign currencies under heavy pressure against the dollar. It will readily be appreciated how seriously these disturbances handicapped trade and industry during those trying days in September. However, when the crisis passed the movement toward recovery was resumed.

The Royal Visit

We have an interesting year ahead of us. We are all looking forward to the visit of King George VI and Queen Elizabeth and we are highly gratified that they have arranged to make a tour across the Dominion. This will afford Their Majesties an opportunity to see the great development which has taken place and is continuing in this country.

We have also the new trade agreements which will become operative on 1st January and which will have a very important bearing on our economic situation. So far as I personally can judge and interpret the views of others, I have come to the conclusion that the agreements will do much to rehabilitate the agricultural industry in this country, which plays so vital a part in the structure of our economy.

I have no illusions as to the difficulties in the way of business, which still have to be overcome, but the revival in the United States appears to be making considerable headway. This has always had an important bearing on the trend of business in Canada and with the widening of trade channels I look for a substantial increase in our exports. Our prosperity is greatest when we enjoy extensive exchange of goods with other countries and provided the forward movement now in progress does not increase its momentum at too fast a pace or further international complications occur, I look to see a continual healthy advance.

Staff

I think you will agree that the statement of the Bank's position presented to-day is a gratifying one, having regard to the many unfavourable conditions of the past year. It is due to the efforts of all the members of the staff that we were able to show the satisfactory results achieved. I should like, therefore, to take this opportunity to express my appreciation of the whole-hearted assistance which has been given to me and to convey to all members of the staff my sincere thanks for their loyal support.

PRESIDENT S. H. LOGAN REVIEWS GREAT RE-ORGANIZATION OF BUSINESS

At time of our last Annual Meeting signs of economic unsettlement were clearly visible. Anxiety as to trade prospects was general and we were apprehensive of the consequences of threatening international developments upon Canada, interwoven as her interests are with those of the world at large. We were especially concerned as to the effects here of the severe dislocation of American business, Canada being always keenly sensitive to conditions in the United States through the intimate commercial and financial relations of the two countries.

We experienced, however, a comparatively moderate and short recession in general business activity during the past year, a decline of 15 per cent., extending only from November, 1937, to the spring of 1938. A period of relative stability then ensued, followed by a slight recovery.

Greater Economic Strength

We should, therefore, consider ourselves most fortunate in having suffered so little from the serious external disturbances of the past year, and fortunate, too, in having already regained some of the ground lost in that period. It would be a most superficial view, of course, to regard this resistance to unfavourable factors abroad and the ability subsequently to resume progress as due merely to fortuitous circumstances. A remarkable transformation of Canadian economy has given this country greater strength than ever before to withstand depressing influences and has added materially to its recuperative powers.

Within the last decade Canada has shifted from a predominantly agricultural economy to one based on a combination of agriculture, mining and manufacturing.

Agriculture, of course, still directly supports our largest single occupational group, as our farmers and their dependents constitute about one-third of the total population of the Dominion. But as no extensive land settlement has taken place for many years the productive agricultural area has not been appreciably enlarged. Moreover, the self-sufficiency programmes of several major nations, the high barriers erected by many countries against the importation of foodstuffs and the long series of droughts suffered between 1929 and 1938 by the Prairie grain growers have so depressed Canadian agriculture that it no longer maintains unchallenged supremacy.

While we should by no means regard agriculture as at all eclipsed in importance, we have to recognize the fact that new types of economic enterprise have come into being in recent years and that Canadian economy as a whole has shifted to a more highly industrialized plane.

There have been many material advantages in this notable change in the character of Canadian business, but one, which cannot be measured in terms of dollars and cents, is of such consequence as to deserve special emphasis. In recent years the world has been subjected to rigid economic regulations, private enterprise has been penalized by heavy and increasing taxation, private capital has been fearful of moving freely into investment channels, international trade has been shackled by restrictive devices and huge expenditures have been devoted to national armaments. Because of these handicaps the world has lost, at least temporarily, much of its pre-war flexibility and constructive enterprise, Canada, on the other hand, has been able to broaden and diversify her productive facilities, and thus to open for her people new sources of income and avenues of employment in peaceful pursuits.

Widespread Benefits of Mining

Mining has led the way in the transformation of Canadian economy. In the last decade the production of our mines had an aggregate value of $2,900,000,000, an amount not far short of the present net direct debt of the Dominion Government. I have estimated that in that period the mining industry disbursed over $1,000,000,000 in wages and salaries and about the same amount in the purchase of materials and for services of various kinds. These purchases were remarkably well distributed, the expenditures being about equal for chemicals (including explosives), iron, and steel products, hydro-electric power, machinery and coal and oil. Smaller, though quite substantial, sums were spent for lumber, agricultural products, insurance and miscellaneous requirements. The largest disbursement, however, apart from that for labour, was to transportation companies. In fact, mining has ,by providing about one-third of the total freight traffic, afforded important relief to the nation's serious railway situation.

25,000 Industrial Plants

Furthermore, mining has helped greatly to enlarge the field of industry, in which there are now about 25,000 individual plants. In 1928 non-ferrous metal smelting and refining, rated as to the value of production, was in tenth place among Canadian industries, but it is now well in the lead with a gross annual value of output exceeding $200,000,000. Of this sum two-thirds is devoted to the purchase of materials, mainly of Canadian origin, required for processing. We can be proud of the development of metallurgical plants associated with our non-ferrous metal mines, through which Canada is now the world's fourth largest source of refined copper and of pig lead. She is second in importance in the reduction of zinc ore of domestic origin, while a good proportion of nickel, of which this country produces about 85 per cent. of the world's supply, is refined before it is exported. Partly as a result of metal mining expansion we have, as well, nearly twice as many units manufacturing electrical apparatus and copper and brass products as we had ten years ago.

There is also a fairly close relationship between mining and the chemical industry, for most chemicals are derived from minerals, and some of our major mining concerns have chemical by-product plants. It is, therefore, one of the most gratifying features of this mineral-industrial association that the manufacture of chemicals in Canada rose recently to an all-time peak, with a yearly value of over $100,000,000.

Before the next year is out we shall see an important link between mining and another important industry. I refer to the preparations now under way to mine iron ore for the steel plant at Sault Ste. Marie. This important project will be a further step in the development of the domestic iron and steel industry, which, it is interesting to note, has already ten more plants in operation than in 1928, while an increased variety in its products has obviated the need of certain importations.

Forestry Rehabilitation.

There are numerous other industries, such as the automotive trades, which have made great strides and merit high praise, since their growth has contributed materially to the diversification of Canada's production. But as the forest industry is one of the most important in our national economy I shall comment on it in more detail. This industry, though at present depressed by special disabilities, has one of the most impressive records of the past decade and is today in the most efficient condition in its history. In 1932 our lumber cut had fallen to less than one-third of normal. Within a few years, however, it rose to about the pre-depression level through the enterprising and successful efforts of exporters to find new markets to replace that lost through the imposition of prohibitive American tariffs. The new trade treaty between Canada and the United States will, I am happy to say, provide for easier access of our lumber to the United States at a time when building activity there will be of large proportions. You are well aware, of course, of the great productive activity of the newsprint industry between 1933 and 1937. In another section of forestry—the manufacture of wood pulp—there was also a progressive turn, owing largely to the phenomenal development of the world rayon and staple fibre industries for production both of artificial silk and of textile mixtures of rayon, cotton, real silk and wool. The remarkable growth of the use of these products is illustrated by the fact that world manufacture of rayon yarn doubled between 1932 and 1937. This expansion, resulting in an increased demand for Canadian wood pulp, has been interrupted both by the war activities of Japan, whose facilities for the production of rayon are the greatest in the world, and by the general economic recession. The interruption is, I firmly hope, only a temporary condition.

Summary of Economic Transformation

I should like to summarize the results of this large-scale reorganization of Canadian economy. Mining accounts for about 12 per cent. of the net value of national production, as compared with about half this proportion in the pre-depression period. Manufacturing, including metallurgical operations, contributes over 40 per cent., in comparison with about one-third prior to 1929. The relative status of forestry has not changed markedly, a fact which in itself is cause for satisfaction, having regard to the serious difficulties encountered by this industry. Whereas agriculture ten years ago accounted on the average for over one-third of the net value of production, its proportion fell to about 20 per cent. in 1937. Even in a year of normal crop production and of fair prices probably not more than one-quarter can in future be expected from this source, for the expansion of non-agricultural industries is of a permanent character.

In this transformation of our business structure we have not only taken up the slack caused by the short crops of several former years, but have also broadened and diversified Dominion production so that it now provides a much wider range of commodities for our own use and for export. As I have given in recent years an account of the remarkable improvement in exports arising chiefly from the development of new markets for an increasing output of various products, I shall on this occasion merely outline briefly the changes in our foreign trade for the twelve months ending in October.

Foreign Trade

Our exports were again over the billion-dollar mark. Including coined gold, total exports amounted to $1,020,000,000 as compared with $1,162,000,000 in 1937, a decline of 12 per cent. This is a very creditable record in view of the coincidence of a short supply of wheat in 1937 with depressed conditions in our main foreign market, the United States. Shipments of grain were just half those of the preceding twelve months, while our trade with the United States declined by $145,000,000. Our export trade with other countries was well maintained. Trade with the United Kingdom was practically equal to that in the previous year, increases in base metals and gold largely offsetting the decline in farm products. Exports to the other important sections of the Empire showed fairly substantial gains. Exports to foreign countries other than the United States showed a small increase of about $3,000,000. As the average price of exported commodities fell nearly 8 per cent., the volume of trade actually declined by less than 5 per cent.

Total imports, including gold to the value of about $27,000,000, amounted to $730,000,000, a decline of $65,000,000 or 8 per cent. below last year. Nearly two-thirds of our requirements came from the United States. The value of imports from that country and the United Kingdom fell about equally, by less than $20,000,000 each. The quantum decline in imports was very small, being under 3 per cent.

The favourable balance of trade, though reduced by over 20 per cent., remained at the high figure of $290,000,000, this amount exceeding by a wide margin the sum required to meet the fixed debt charges on Canadian securities abroad.

Economic Weaknesses.

I wish it were possible to say that reconstruction of the national economy had proceeded as far in other directions as it has in mining, manufacturing, forestry and export trade. But the problems surrounding the railways, the construction industry and public finance persist. These ills will not, I fear, receive remedial treatment until it is impossible any longer to gloss over the weakening effects they are having on every other form of activity, collective and individual. General recognition and public disapproval of the failure to cope with the fundamental difficulties in these departments of Canadian economy are necessary to hasten their solution.

Real estate owners are justly complaining of the excessive burden pressing upon them, for they have had to provide over one-third of all taxes collected in Canada, which aggregate more than $700,000,000 per annum. In some cases property owners have even been called on for as much as 90 per cent. of the municipal levies. Real estate, indeed, has had to bear increasing taxation for purposes which were never visualized when it was selected as a major source of revenue. Moreover, the base of this type of taxation has been prevented from expanding in any degree proportionate to the growing costs of official administration. For example, private building has been so subnormal in volume for years past that there is now an estimated deficiency of at least 200,000 dwelling units in the number required for good housing accommodation. It is clear, therefore, that unfair taxation in this form has depressed construction and employment in the building trades and that, until some measure of relief to the real estate taxpayer is devised, we cannot expect a major resumption of building.

Since no single government has been responsible for imposing all the inequitable and excessive taxes which are now drained from the public, no one legislative body can remove these handicaps to our progress.

Monetary Fallacies.

I think that most people now recognize that easier money will not cure our existing problems. Certainly, substantial reductions in the interest rate on bank loans have not brought about any marked increase in borrowings. Action in other directions is obviously required and monetary experimentation directed to further cheapening the cost of short-term money holds, therefore, no hope of removing the remaining handicaps to complete recovery.

As a matter of fact, in the total costs of any enterprise interest on bank borrowings plays a minor part. Only when other factors have prevented the success of a project may the payment of interest prove burdensome.

The widespread repercussions of the depression have increased the risks which business enterprise is unable to foresee, and, therefore, more ventures than usual have failed of success. This accounts for the birth of the theory that it is the cost of borrowed money which is crippling business activity and that a lender should forego his interest if the enterprise he has assisted proves unprofitable.

In other words, these theorists propose that a lender, though he can exercise no control over the methods or policies followed in a borrower's operations, should nevertheless be the latter's full partner in so far as losses are concerned. If, however, the borrower's venture is successful the lender does not share the profit but must be satisfied with the bare interest on his loan. I think you will agree that few lenders will accept so one-sided a proposal.

Constructive Action

The commercial treaties recently arranged between the United States, Great Britain and Canada reflect a high concept of international duty in the minds of the various statesmen concerned. The combined foreign trade of these three nations amounts to about one-third of that of the whole world. Their representatives did not allow the difficulty of readjustments, always present in tariff revisions, to deter them. Instead, they wisely sought to afford their people better opportunities for economic advancement and to strengthen the bonds of democracy at one of the most critical stages of its history. Might we not with the same high motives and unity of purpose take our internal problems firmly in hand and so find ways of applying to our entire national economy the constructive forces which have been at work in mining, forestry, manufacturing and export trade?

Promising Business Conditions.

As regards the current business situation, the recent progress in manufacturing has cancelled about half of the recession in the latter part of 1937 and the early months of this year. The forest industries, however, may face difficult conditions during the winter, when the new wood cut will likely be the smallest in several years. But the enterprise in this group is still as strong as that which overcame the conditions of the 1929-33 period, and succeeded in limiting the decline in the lumber cut in British Columbia to only 15½ per cent. and the fall in newsprint production to 24 per cent. during the past trying year. There is now a healthier undertone in these industries. Mining activity is greater than ever before, more metal properties are in operation and more people are engaged in this industry than in the previous year. It is estimated that over 100,000 persons are now employed in mining and that their annual earnings aggregate fully $125,000,000. The production value of the industry for the current year (about $450,000,000) may, because of lower base metal prices, be fractionally less than the record established in 1937, but that of gold, now at an annual rate of over $160,000,000, has reached a new peak.

Low Prices for Farmers.

Farm purchasing power, though no greater than a year ago, mainly because of low prices for agricultural products and an unusually large proportion of unmerchantable grain, is now much better distributed as a result of the largest crop yields since 1932. The grain outturn alone in the Prairie Provinces is 650,000,000 bushels as compared with 370,000,000 in 1937.

The deep-sea fisheries have been slightly more profitable than in the previous year, a rise in the landed value on the Pacific Coast more than offsetting a decline in the Eastern area.

From this summary of current conditions it will be apparent that many of the essentials for further economic recovery are now present in Canada.

I am confident, therefore, that if peace between the major powers can be preserved and we can continue to expand our export trade on reasonably satisfactory terms we shall experience substantially improved business conditions during the coming year.

Canada Attacks Youth Problem

(Continued from page 11)

of occupation were given in some cases, with prospective employers, for which they were reimbursed to the extent of $2 a week.

Home Service Training—Training is given in these schools in domestic service. There were 20 of these in all. In Ontario there were 365 young women enrolled in seven schools and trained by 19 staff members. The course lasted three months and record of placements was practically 100%.

Physical Training—The practical results of such a course are difficult to ascertain, but the benefits to participants might well make it one of the most valuable of the courses.

Rural Classes for Women—These home-making courses were particularly popular in the West. Municipal committees sponsored by the schools.

Other Countries

Looking elsewhere in the world the results of the Canadian plan appear insignificant. The extent of youth training in the totalitarian states is beyond anything attempted in democratic nations.

Only in the U. S. has youth been trained in anywhere near the same proportions.

The results of youth rehabilitation in the U. S. are beginning to appear. Youth projects in the U. S. have been ample targets for political sniping. But in a survey of the situation, two U. S. authors conclude in "A New Deal for Youth" that the benefits of the National Youth Administration far outweigh the consideration of expense and political abuse.

The authors state that during the past year 60,000 of the 150,000 NYA youths left work projects to take private jobs, and in a survey of 27 states the NYA construction programme is reported as "excellent" in the public benefit of the works created and "very good" in operating methods and employment value.

Value of the "intangible" return of self-respect, vocational training and health and mental well-being cannot be calculated in dollars and cents.

Most widely publicized phase of the U. S. Government's work in youth training is the Civilian Conservation Corps launched by the Roosevelt Administration in 1933.

The U. S. Government faces the gigantic task of maintaining 3.9 million jobless out-of-school young people between the ages of 16 and 24.

The purpose of the CCC project is to restore confidence of the young men, build them physically and promote national conservation projects. There is no military programme, although the army is responsible for the camps' administration. Enrolment is voluntary and the term of service is six months. The camps have been popular with occupants.

The boys are paid $30 a month. Additional duties and promotions are rewarded with increased allowances.

The whole project has been costly, but it must be remembered that a good deal of public work that would normally come as an expense in other departments has been absorbed by the CCC. Public works, roads and other construction jobs were done by this body.

Other agencies besides the C.C.C. are working systematically. Vocational schools of three types, the day, part-time and evening fulfill the same function as in Canada. In addition the Youth Administration is training 225,000 young persons at the present time in trades. There are 25,000 youths in machine shops.

A vast programme of apprentice training is conducted by the N.Y.A., and funds are provided for needy students to continue educational training, as well as provide job counselling and placement for the young people.

Youth unemployment and training is receiving considerable training attention in Great Britain, but legislation and governmental agencies do not excercise the same degree of control as in Germany.

Rearmament and expansion in the army has taken care of a large number of youths and given them technical training.

Instruction centres were set up in 1920 to keep unemployed between the ages of 14 and 18 usefully employed and prepare them for work. The Ministry of Labor subsidizes the centres to the extent of 75% but the remainder comes from the municipality.

Both academic and practical courses are given at the institutions. There are approximately 340 labor exchanges in England and Wales to facilitate placement and juvenile vocational guidance is supplied.

English labor camps are so far not run on a large scale. Established first in 1925 their progress has been slow and they are constructed on traditionally democratic lines. Instruction is given in a number of trades.

There are 13 training centres and 22 instructional centres. Through these pass about 12,000 men each year.

In Germany

In direct contrast to the democratic way of doing things is Germany's treatment of the problem. The youth programme is so knit into the Nazi Socialist's life, that it is difficult to discern when the youth movement leaves off and the Party begins.

More eloquent than volumes is Hitler's declaration to the National Socialists on May 1, 1937, when speaking of the methods adopted by the Party.

"First of all, we made a start with the nation's youth. There are still among us old fogies who are no longer good for anything. According to their leanings, they stand either to the right or left and pass one another much as do dogs and cats.

"But this does not disturb us. We will take away their children. These we will train and educate to become new Germans. We will not permit them to lapse into the old way of thinking but will give them thorough training. We will take them when they are 10 years old and bring them up in the spirit of the community until they are 18.

"They shall not escape us. They will join the party, the SA, the SS, or other formations, or go into factories and offices. Later on they will do two years of military service. Who shall dare say that such training will not produce a Nation?"

That is the essence of the Hitler movement—the man subservient to the state.

The Hitler Youth includes nearly every youth organization in the country and is responsible for the training of all young Germans from 10 to 18.

Appointment to posts in the public services, including the Reichsbank, the German National Railway, and other state organizations are reserved for Hitler Youths.

Four Sections

The movement is divided into four sections: Hitler Youth proper; for boys between 14 and 18; the German Young People, for boys between 10 and 14; The League of German Girls, for girls between 14 and 21; the German Young Girls, for girls between 10 and 14.

In the Federal Labor Services, young Germans serve a six months' term without exception, between the ages of 18 and 25. The standing membership at Oct., 1938, was estimated at 275,000, and the number at Oct., 1939, is expected to be 300,000.

The youth's stay at the camp gives him an opportunity to familiarize himself with the Nazi doctrines, helps him physically and he enters into the recreational activities of the camp.

Land reclamation and improvements, construction of highways and duties very similar to the C.C.C. are performed by the Labor Service groups.

Cost of the movement, as in other totalitarian states is almost impossible to ascertain, as it is regarded as an ordinary budgetary expenditure and therefore not public property.

The Women's Labor Service is not compulsory as is the Men's Labor Service. At March, 1938, there were 25,000 women enrolled.

Other organizations fulfill various needs as German youth moves from the influence of these groups. The Work Corps, formed in 1933, perpetuates the camaraderie of the labor camps and looks after its members' welfare.

The Land Year gives city children a chance to benefit from the occasional sojourn in the country.

Because of the rigid requirements of German youth, vocational training and apprenticeship has suffered. There is an actual shortage of skilled labor in industry. Upon the inception of General Goering's four-year plan the number of apprentices was increased. Vocational schools have been making substantial headway and only an estimated 25% of the eligible young people are now not registered at some vocational institution.

Russia

The fact that children born in Russia since 1917 now number nearly 43% of the population makes the youth element in that country a highly potent factor.

In 1936, the latest figures available, workers under 23 were approximately 34% of the total employed in Soviet industry. The country's industrialization is making heavy demands for technicians, as well as forestry and agricultural experts.

The Soviet is relying upon youth to carry through its schemes, and like its ideological opponents is making certain the Party ideals are firmly inculcated in young Russian minds.

Education is built around the Lenin maxim that "The school apart from life, apart from politics is a lie and a hypocrisy."

Its objectives are primarily economic and political. Since 1934 there has been a noticeable break with the old concept and the curricula are broadening.

All youth organizations come within the frame work of the All-Union Leninist Communist Union of Youth (the Komsomol), of which there are approximately four million members.

Youth in Italy

While the systems of youth training in Italy and Germany are strikingly similar, there are important differences. All Italian youth are compelled to enroll in the one Government-controlled youth organization, but there are no such organizations as the Labor Service.

The army has helped to solve a great part of the unemployment problem, combined with assistance from unemployed benefits.

The Opera Nazionale Balilla was established in 1926 as "an institution providing moral and physical education for the young, according to the principles and ideals sponsored by Fascism." In it Italian youth are kept physically fit and are given a knowledge of military art and the principles of Fascism.

The Balilla also acts as an instrument of vocational guidance and training. Agricultural, schools of applied arts and evening schools in technical subjects come under the jurisdiction of this body. No private agencies function in the country, as is the case in Germany and Russia.

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Pulp and Paper Industry

U.S. Customs Upsets Trade

Charges Duty on Odd-sized Newsprint Rolls—Issue Clouded

From Our Own Correspondent

MONTREAL. — Newsprint manufacturers and publishers have become alarmed at a sudden levy of duty by the U. S. customs on odd-sized newsprint rolls.

Approximately 150 tons of newsprint in roll size of 30¾ in. and 66½ in. are being held up presumably on the theory that they were not standard newsprint sizes when the tariff back in 1930 was passed, admitting "standard newsprint" duty free. Several conflicting court rulings cloud the issue and it appears that the publishers concerned are going to seek a definite ruling from Washington.

Two Shipments Detained

Early this week the Hearst Newspaper and Magazine Corp. reported that a consignment of four carloads —or 100 tons of newsprint—roll size 30¾ in., was held up at Rouses Point, N.Y. The paper was from the Lake St. John mill at Dolbeau, and was on consignment to the International Color Printing Co. at Wilkes-Barre, Penn., an independent concern which prints colored comics for many papers, including the Hearst New York Sunday Mirror.

On the same day the Scripps Howard Supply Co., New York, reported that a two-carload shipment of 50 tons, roll size 66½ in., on consignment to the Columbus Citizen, was detained at the Detroit Customs Office.

The roll sizes in question have been imported through the same customs channels for the past several years with no questions asked.

Newsprint Enquiry Is Still Pending

F. T. C. Compiling Data on Price-fixing Activities of Operators

From Our Own Correspondent

MONTREAL.—The Federal Trade Commission's enquiry on the newsprint industry is still pending, according to the annual report of the Commission for the year ended June 30, 1938.

The Commission was asked to determine if there were any violations of the Anti-Trust Law by the newsprint industry that were not prohibited by the decree issued by the United States District Court for the southern district of New York on Nov. 26, 1917.

The enquiry is at the request of the Attorney-General which came as a result of complaints from newspaper publishers alleging that increases in the price of newsprint paper late in 1937 was a result of price-fixing activities of newsprint manufacturers.

The investigation of this subject was not only still pending at the close of the Commission's fiscal year, but latest reports indicate that the results of the investigation have not yet been transmitted to the Attorney-General.

Cartier Wax Paper To Build Quebec Mill

From Our Own Correspondent

MONTREAL.—Cartier Wax Paper Products Ltd., manufacturers of waxed and other processed paper stocks, is reported to have selected a mill-site at Ste. Genevieve, just outside of Montreal. Plans are reported to have been drawn up for the construction of a one-story mill, which will be ready for equipment installation early next year. According to the Paper Trade Journal, the new plant will cost approximately $60,000 including machinery.

Exchange Helps Norway Hold Export Pulp Market

From Our Own Correspondent

MONTREAL.—Decline in the gold value of the Norwegian krone has been helpful to the Norwegian pulp and paper mills in holding their position in the export market. During October, the gold value of the krone, calculated on the basis of the average rate for the U. S. dollar, was 52.58%, as against 54.63% a year ago.

PLANT REOPENED

From Our Own Correspondent

MONTREAL.—Canadian International Paper Co. has reopened its Hawkesbury plant which was closed down early last month. The plant has been idle on several occasions since the first of the year for periods of one to three weeks. At present the company has more than 400 men employed.

STARTING THE PROCESS

Canadian pulp is used in the new $11.5 millions plant recently placed in operation by Industrial Rayon Corp. at Painesville, Ohio. Illustrated is the first step in the continuous circuit employed in turning this product of Canadian forests into rayon. The process, employing many new methods, requires five days from pulp to rayon yarn.

St. John's Criticizes Bowater-Lloyd Deal

Because it does not provide for a newsprint or sulphite mill on the east coast considerable criticism has developed in Newfoundland of the agreement made by the Commission Government with Bowater-Lloyd (Newfoundland) Ltd. for the development of the Gander limits.

The St. John's Board of Trade recorded its disapproval of the agreement by a vote of 150 to 6. Supporting the adoption of such policy as would assure development of the Gander area as an industrial entity, the Board of Trade recommended that, in the interim, export of unmanufactured wood up to a maximum of 100,000 cords annually be permitted on short-term leases.

The resolution presented to the Government by the Board of Trade states the agreement is not conducive to proper protection of the country's interests in that it permits raw wood export for an unduly long period. It further states that the agreement does not require the company to undertake "that large scale development warranted by the timber and water resources in the Gander area."

Enlarge Corner Brook Plant

The agreement with the Bowater-Lloyd interests provides for increasing the production of the mill at Corner Brook, control of which was acquired last summer from the Canadian International Paper Co. It also provides for the export of pulpwood. At the same time it dashes Newfoundland's hopes for a manufacturing centre on the east coast which would utilize the timber and water resources of the Gander area.

In refusing to proceed with the proposal for a mill on the east coast, Bowater-Lloyd stated it presented many and great difficulties and of such a nature as would make it impracticable.

No Other Offer

In announcing the new agreement, Hon. R. B. Ewbank, commissioner of Natural Resources, admitted a mill on the east coast would have been of greater value to Newfoundland, but suggests the Commission Government had no alternative in view of conditions prevailing in Newfoundland. In this connection, he stated that, despite rumors to the contrary, the Bowater-Lloyd proposal was the only firm offer received.

One of the criticisms directed at the agreement is the length of its term, namely 99 years. In a broadcast discussing the agreement, Commissioner Ewbank stated that Bowater-Lloyd would not undertake operations on other than a long-term basis. The company even refused to make a cut of 50,000 cords this fall unless a definite commitment was accepted.

Engineer Is Critical

A severe critic of the new agreement is J. P. Powell, formerly of the engineering staff of the Reid-Newfoundland Co. He takes issue with the statement made by Bowater-Lloyd in regard to the difficulties confronting any proposal for a mill on the Gander limits. He suggests that the Commission Government neglected to call in competent experts who had examined the Gander property, but relied entirely upon the representations made by Bowater-Lloyd.

Mr. Powell contends that a newsprint mill on the east coast is an economic proposition. In this connection he quotes reports made by such engineers as H. G. Acres, of Niagara Falls, Ont.; Hardy S. Ferguson, of New York; James W. Sewall, of New York; and Sir Alexander Gibbs and Partners, of London, Eng. All of these reports were favorable and were made prior to 1927.

In a memorandum sent to the Commission Government, Mr. Powell states the value of the Labrador wood supply to Newfoundland will be destroyed unless a mill is erected on the Gander limits.

Extension by 1942

As outlined in the last issue of The Financial Post, the agreement provides for increasing the capacity of the Corner Brook plant by 30,000 short tons of sulphite pulp annually, to be in operation by Dec. 31, 1941. This is subject to consent of the Government to postponement for not more than one year on the grounds of adverse commercial economic factors.

Construction of extension of the plant is to commence in 1939. As soon after 1940 as it is practicable and economic to do so the paper capacity of the Corner Brook plant is to be increased by 30,000 tons annually.

Publishers Give Support To Southern Newsprint Mill

From Our Own Correspondent

MONTREAL. — Southland Paper Mills Inc. will start construction of its new $6 millions southern pine newsprint mill at Lufkin, Texas, soon after January 1, according to E. L. Kurch, president.

Mr. Kurch is credited with saying that financing is complete, contracts were let and within a year the plant will be converting southern pine into newsprint at the rate of 50,000 tons of paper annually. This is about 2% of United States import.

Of greater interest to Canadian newsprint operators is the statement that southern newspaper publishers have subscribed to $429,000 of stock and contracted to absorb the plant's entire output for five years, at prices the same as those paid Canadian mills.

Many Papers Support

Newspapers subscribing to stock of the new company are:

Richmond Times Dispatch, Richmond News-Leader, Dallas Morning News, Houston Post, Lufkin News, Denison Herald, Fort Worth Star-Telegram, San Antonio Express, Beaumont Enterprise, Corpus Christi Caller-Times, Temple Telegram, Waco News-Tribune, Abiline Reporter Publishing Co.; Texarkana Newspapers Inc., Oklahoma City Oklahoman, Cleveland Plain Dealer, Scripps Howard Newspapers, Louisville Times, Meridan Star, Birmingham News, Charlotte Observer, Chatanooga Times, Atlanta Constitution, Atlanta Journal, Savannah Morning News, Mobile Press, Lexington Herald, Little Rock Democrat, Little Rock Gazette, Shreveport Times, New Orleans Times-Picayune, Shreveport Journal, Alexandria Town-Talk, Lake Charles American Press and Baton Rouge Advocate.

U. S. Paperboard Output Continues to Improve

From Our Own Correspondent

MONTREAL. — Continued improvement in paperboard production in the United States is reported by the Department of Commerce. During October production was equivalent to 72.4% of rated capacity. This compares with 68.5% in September, and with 68.5% in October, 1937.

New orders received by the mills during October totalled 370,453 tons, the largest amount received for any one month this year. At the same time, unfilled orders totalled 107,235 tons, a decline of roughly 2,000 tons from that reported in the previous month.

Securities Holding Corp. Declares 65c a Share

Securities Holding Corp., Toronto investment trust of the management type, has declared a dividend of 65 cents a share on its preferred shares, payable Jan. 3, 1939 to shareholders of record Dec. 22. This is the same amount as paid a year ago and with the 60 cent payment made on July 2, 1938 brings the total payment for 1938 to $1.25 a share.

Dryden Paper Trade Slower

Business "Fair" Since Year-end; Under September, Says Secretary

From Our Own Correspondent

MONTREAL.—Dryden Paper Co.'s business has slowed up somewhat in comparison with the final quarter of the year ended Sept. 30, 1938, according to a report made to the shareholders at the annual meeting.

The final quarter of the last fiscal year had been better than the preceding nine months, according to E. S. Pincott, secretary. October, first month of current year, is characterized as "fair" and not as good as September. The November figures, he added, were not yet available.

Depends on States

Mr. Pincott said that during the past year production has held up well in Canada, but sales of pulp, the company's market for which is chiefly in the United States, suffered in reflection of the general American business recession. The pulp market in the United States, he said, is a world market, as there is no duty on this product, so that the company has to compete with Scandinavian and other producers. Until conditions improve in the United States, Mr. Pincott did not anticipate an improvement in the pulp market, which is still unsatisfactory.

Other departments are making a good showing, but sales of pulp are important to the company, which finds it necessary to keep costs down.

At a special meeting preceding the annual meeting, unanimous approval was given to by-laws relating to the company's borrowing power and procedure, as well as reducing the quorum at special meeting from 50% to 25% of outstanding stock.

Quebec Fixes Stumpage Dues

Rates Remain Much the Same — Schedule Effective from May 1, 1938

From Our Own Correspondent

MONTREAL.—An order-in-council has been issued by the Quebec Government fixing the stumpage dues on all timber cut on Crown lands throughout the province, retroactive to May 1, 1938.

The dues range from 75 cents to $1.25 a cord on lumber cut to produce pulp for newsprint.

Main price scales are as follows:

Spruce, pine and grey pine, $1.25 a cord; the same three trees, barked, to the sap, $1.40 a cord; the same three trees, barked with knife or plane, $1.50 a cord; other woods, 75 cents a cord; other woods, barked with knife or plane, 85 cents a cord.

Measured according to 100 solid cubic feet, the rates for the spruce, pine and grey pine will be $1.45, while the charge for various other woods will be 90 cents.

Dunbar Joins Board Of Capital Wire Cloth

From Our Own Correspondent

MONTREAL.—Thomas L. Dunbar has been elected a director of the Capital Wire Cloth Mfg. Co. Mr. Dunbar is president of Chemipulp Process Ltd., Watertown, N.Y., with branches in Montreal and Seattle. For a number of years past he has been closely associated with the pulp and paper industry both in Canada and the United States.

Bowaters Newfoundland Opens Canadian Office

From Our Own Correspondent

MONTREAL. — Bowaters Newfoundland Pulp and Paper Mill has been authorized by the Provincial Secretary to carry on business in the Province of Quebec. The powers conferred on the company by its charter are limited to those granted to corporations of a like nature incorporated in Quebec.

The Canadian office of the company will be located in Montreal.

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& Company Limited
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SULPHITE BLEACHED SULPHITE
FOURDRINIER SPECIALTIES
Newsprint Mills at Kenogami, Riverbend, Jonquiere
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Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
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FRASER PAPER LIMITED
RESTIGOUCHE COMPANY LIMITED
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GROUNDWOOD PRINTING PAPER
BLEACHED SULPHITE PAPER
"RESTICOSE" RAYON PULP
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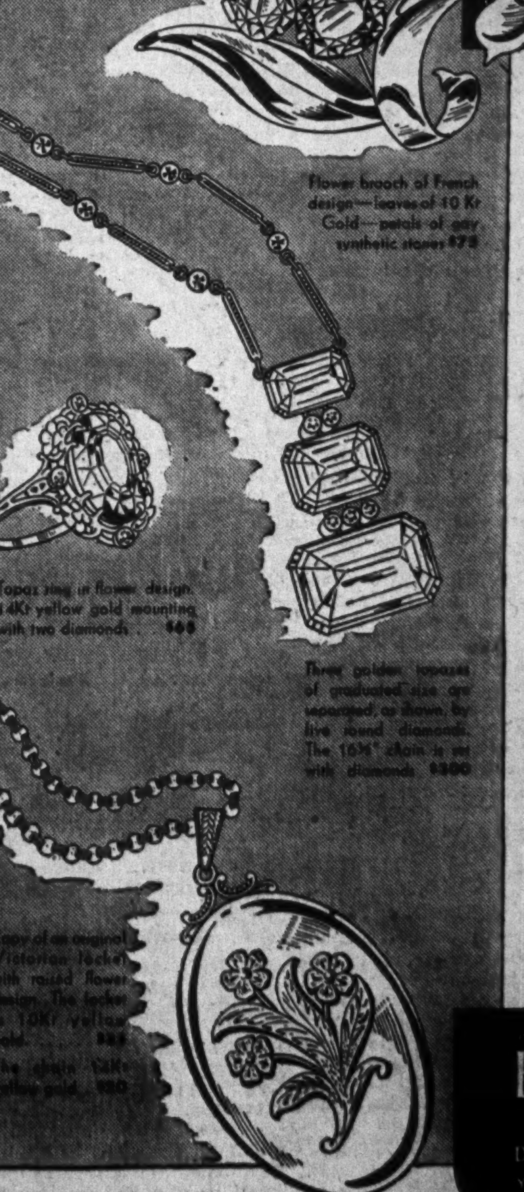
General Office: Edmundston, New Brunswick



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STOCK AND BOND MARKET QUOTATIONS

Toronto and Montreal Stock Exchange Quotations

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 12

Range 1938 High	Low	Div Rate $	Dec10 Y'ld %		Sales	Last Dec. 5	Week end. Dec. 12 H	L	Cl'se
				A					
4.75	1.00		...	Abitibi	5983	2.50	2.87	2.37	2.50
33	8¼		...	Do. pref. 6%	7318	21¼	23	19¾	20⅛
43	23¼		...	Do. pref. 7%	25	32	23¼	23¼	23¼
4¼	4¼	30c	...	Acadia Sugar	....	(3 bid — asked)			
7	5	50c	10	Acme Glove	10	5	5	5	5
82	60	6.50	10.8	Do. pref.	....	(— bid 70 asked)			
11	8¼	60+20c	8	Agnew Surp.	150	10	10	10	10
110	103	7	6.4	Do. pref.	15	110	110	110	110
16⅛	13¼		...	Algoma Steel	171	14	14	13¼	14
68¼	65		...	Do. pref.	....	(65 bid 69 asked)			
5¼	2		...	Alta. Pac. Gr.	75	2¼	2¼	2	2
29	10¼		...	Do. pref.	40	21¾	22	20¼	22
140¼	75		...	Aluminum	10	138¼	138¼	138¼	138¼
			5.5	Do. pref.	....	(108¼ Nov. 4)			

Mining Stocks

Week Ending December 12

Oil Quotations

Vancouver Stock Exchange

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 13, 1938

†Payable in Can., U.S. or U.K.
▲Payable in Can. or U.K.
§Payable in U.S. only.

Municipal Bonds

Dec. 13, 1938

†Halifax	5	1961	113.00	114.50	4.02
Hamilton	5	1950	108.60	110.10	3.90
Montreal	5	1945	104.00	105.50	4.00
Ottawa	4½	1945	108.10	109.60	2.88
†Quebec	5	1959	106.50	108.00	4.40
Saint John	5	1950	107.00	108.50	4.10
†Toronto	4½	1955	112.50	114.50	3.35
†Vancouver	5	1950	88.00	91.00	6.10
Winnipeg	5	1944	98.00	100.50	4.89

†Payable Can. and N.Y.

Bond Tenders

8 p.m., Dec. 19, Three Rivers, P.Q.—$1,193,500, 3½ or 4%, dated Nov. 1, 1938, redeemable by series of annual payments during 13 years. Jacques Denechaud, treas.

12 noon, Dec. 14, Halifax—$409,000, 2½, 3 and 3½% serial debentures, dated Jan. 2, 1939, due 1940 to 1959. G. J. Allen, treas.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp	‡6%	1942	Dec. 31	103
Mississippi River Power	*5%	1951	Jan. 1	105
Aluminium	▲5%	1948	Jan. 1	103
Eastern Car	†6%	1952	Jan. 1	105
Can. Foundries	■6%	1942	Feb. 2	110
Can. Crushed Stone	●6½%	1944	Dec. 16	...
Standard Lime	°6%	1944	Feb. 1	102

For sinking fund purposes: ‡$85,900. *$152,900. †$40,000. ▲$3,000,000. ■$38,000. ●$17,400. °$13,500.

Bond Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines
Dec. 13	21,500	84,000	733,000
Dec. 12	16,500	88,100	384,000
Dec. 10	9,200	27,700	280,000
Dec. 9	15,300	84,300	696,000
Dec. 8	12,500	52,900	391,000
Dec. 7	27,300	67,300	549,000

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 13, 1938

Winnipeg Stocks

(Transactions from Dec. 5 to Dec. 10)

Stocks Not Traded in During Week*

*Stocks more active on other exchanges not included.

Unlisted Mines

TORONTO

December 13, 1938

	Bid	Ask.
Addington	.13	.15

MONTREAL

December 13, 1938

Government Bonds

(Supplied by Investment Dealers' Association of Canada)

Dominion of Canada Bonds

Dec. 13, 1938	Bid	Asked	Approx. Yld.
1 June '39	100.00	100.37	.33
15 Nov. '39	100.75	101.25	.70
15 Oct. '39	101.25	101.75	.47
15 Oct. '39	102.25	102.75	.83
1 June '40	100.50	101.00	.83
1 Sept. '40	105.37	105.87	1.02
15 Mar. '41	99.37	99.87	1.05
15 Nov. '41	109.37	109.87	1.52
1 June '42	101.62	102.12	1.38
15 Oct. '42	105.00	105.50	1.52
1 June '43	103.00	103.50	1.69
15 Oct. '43	113.37	113.87	1.97
1 June '44	100.62	101.12	1.77
15 Jan. '44	102.75	103.50	▲1.36
15 Oct. '44	112.25	112.75	2.16
15 Nov. '44	102.75	103.25	1.91
15 Aug. '45	103.62	104.37	▲1.52
15 Oct. '45	108.50	109.00	▲2.05
1 Feb. '46	112.62	113.12	2.49
1 June '49	103.12	103.62	▲2.71
15 Oct. '49	104.00	104.50	▲2.65
15 Nov. '51	102.37	102.87	▲2.92
1 May '52	111.12	111.87	▲1.42
15 Oct. '52	108.12	108.62	▲2.90
1 June '55	99.62	100.12	▲2.99
1 Nov. '56	111.50	112.00	▲2.80
1 Nov. '57	111.62	112.12	▲2.96
1 June '58	98.75	99.25	3.05
1 Nov. '58	112.25	112.75	▲3.01
1 Nov. '59	112.87	113.37	▲3.06
1 Oct. '60	111.37	112.12	▲2.80
15 Jan. '61	104.12	104.87	▲2.89
1 June '66	101.87	102.37	▲3.07
15 Jan. '67	98.50	99.25	3.04
15 Nov. '68	98.00	98.75	3.07
Perp. bonds	92.25	92.75	3.23
Dominion Guaranteed Bonds			
Canadian National Railway:			
15 Jan. '42	101.00	102.00	1.35
15 Feb. '43	100.75	101.75	1.57
1 May '44	104.25	105.25	1.98
15 Dec. '50	99.25	100.25	▲2.96
15 Feb. '53	98.50	99.50	3.05
1 Sept. '51	114.75	115.75	3.02
1 Feb. '56	115.75	116.75	3.23
1 July '57	116.00	117.00	3.27
15 June '55	118.25	119.25	3.23
1 Feb. '54	119.00	120.00	3.34
1 July '69	115.75	116.75	▲2.60
1 Oct. '69	119.50	120.50	▲3.16
1 Feb. '70	119.50	120.50	▲3.22
Provincial Government Bonds			
New Brunswick:			
15 Oct. '51	93.00	94.00	3.58
15 June '56	96.50	97.50	3.70
15 Nov. '47	102.25	103.25	▲3.46
15 Apr. '61	104.50	105.50	4.12
15 Jan. '60	109.75	110.75	4.22
Nova Scotia:			
2 Jan. '52	96.50	97.50	3.24
1 June '56	98.75	99.75	3.27
1 Nov. '50	100.75	101.75	3.32
15 Sept. '52	109.00	110.00	▲3.19
15 Nov. '60	111.25	112.25	3.68
1 Mar. '60	117.25	118.25	3.76
Ontario:			
15 May '45	101.50	102.50	2.08
1 Nov. '50	99.00	100.00	3.00
15 Nov. '51	101.25	102.25	▲3.01
1 June '62	109.50	111.00	3.32
1 June '50	113.00	114.00	3.05
15 Jan. '62	116.50	118.00	3.37
15 Oct. '48	116.00	117.00	3.00
2 Dec. '60	123.00	125.00	3.38
1 July '46	116.50	117.50	2.90
Ont. Hydro Comm.:			
1 Aug. '48	99.25	100.25	▲2.96
1 Feb. '53	100.75	101.75	▲3.07
1 Apr. '47	103.00	104.00	2.95
Prince Edward Island:			
1 Oct. '45	99.50	101.00	2.84
Quebec:			
1 Nov. '51	96.50	97.50	3.24
1 Mar. '48	99.50	100.50	3.18
1 June '52	98.50	99.50	3.30
15 Mar. '52	105.75	106.75	3.37
1 Aug. '58	108.75	109.75	3.57
2 Jan. '63	112.25	113.50	3.65
Alberta:			
15 Dec. '54	53.75	57.75	§
1 Oct. '51	61.50	65.50	§
1 Oct. '56	55.75	59.75	§
1 Oct. '59	60.00	64.00	§
1 Apr. '52	62.75	66.75	§
1 Mar. '47	64.75	68.75	§
British Columbia:			
1 Dec. '57	91.25	94.25	4.45
15 Jan. '51	97.25	100.25	4.47
1 Oct. '53	96.25	99.25	4.57
25 Apr. '54	98.25	102.25	4.79
1 Feb. '45	100.00	103.00	4.93
15 Feb. '47	102.00	105.00	5.24
Manitoba:			
1 Dec. '57	80.00	84.00	5.35
15 Dec. '56	82.75	86.75	5.69
2 Dec. '59	89.50	93.50	5.53
1 Oct. '55	92.50	96.50	5.82
1 Apr. '47	95.50	99.50	6.07
Saskatchewan:			
1 Nov. '60	61.75	65.75	7.10
1 Oct. '51	78.00	82.00	6.58
15 Mar. '60	66.50	70.50	7.22
1 Aug. '58	70.50	74.50	7.48
1 Oct. '52	73.00	77.00	8.30
15 Mar. '52	77.50	81.50	8.30

*Payable Can., N.Y., & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Callable on or after Sept. 15, 1936. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. *Callable at a premium.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pf.	$1.75	Jan. 3	Dec. 15
Asbestos Corp.	50c	Dec. 31	Dec. 15
Do., extra	$1.50	Dec. 31	Dec. 15
Assoc. Brew.	20c	Dec. 31	Dec. 15
Do., spec. c.	45c	Dec. 22	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 15
Acme Glove	12½c	Jan. 3	Dec. 17
Do., pref.	$1.62½	Jan. 3	Dec. 17
Amer. Cyan., A, B	15c	Jan. 3	Dec. 15
Do., pref.	12½c	Jan. 3	Dec. 15
Borden Co., c.	*40c	Dec. 20	Dec. 5
Bralorne Mines	20c	Jan. 14	Dec. 31
Do., extra	10c	Jan. 14	Dec. 31
Burlington Steel, c.	15c	Jan. 3	Dec. 15
Burt, F. N., pf.	$1.75	Jan. 3	Dec. 7
Do., com.	30c	Jan. 3	Dec. 7
Bathurst Pwr., A	25c	Dec. 19	Dec. 10
Beatty Bros., 2nd pf.	$3.50	Jan. 3	Dec. 15
Bell Telephone	$2	Jan. 16	Dec. 23
B. C. Elec. Rly., pf.	2½%	Jan. 16	Jan. 5
B. C. Power, A	50c	Jan. 14	Dec. 31
Brazilian Tr., pf.	$1.50	Jan. 3	Dec. 15
Bk. of N. Scotia	$3	Jan. 3	Dec. 16
Beattie Gold	5c	Dec. 20	Dec. 5
Belding Cort.	$1	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Brant. Cordage, pf.	32½c	Jan. 15	Dec. 20
Brit. Mtge. & Tr.	$4	Jan. 3	Dec. 15
Celanese of Am., p.	$1.75	Jan. 1	Dec. 16
Do., part. pf.	$5	Dec. 31	Dec. 16
Can. Packers	75c	Jan. 3	Dec. 15
Can. Nor. Pwr., pf.	$1.75	Jan. 16	Dec. 31
Do., com.	30c	Jan. 25	Dec. 31
Can. For. Invest., pf.	$2	Jan. 1	Dec. 15
Can. Gen. Elec., c.	$1.50	Jan. 2	Dec. 15
Canadian Car, pf.	44c	Jan. 10	Dec. 23
Can. Light & Pr.	50c	Jan. 16	Dec. 24
Can. Malartic	3c	Dec. 20	Dec. 5
Cosmos Imp., pref.	$1.25	Jan. 14	Dec. 31
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. Gen. Invest.	12½c	Jan. 16	Dec. 31
Can. Celanese	75c	Dec. 31	Dec. 16
Do., pref.	$1.75	Dec. 31	Dec. 16
Can. Westinghouse	50c	Jan. 1	Dec. 20
Cons. Sand, pref.	$1.75	Dec. 28	Dec. 20
Consumers' Gas	$2.50	Jan. 3	Dec. 15
Can. Cottons	$1	Jan. 2	Dec. 16
Do., pref.	$1.50	Jan. 2	Dec. 16
Coniaurum Mines	*5c	Dec. 21	Dec. 1
Chartered Trust	$1	Jan. 3	Dec. 15
Do., extra	$1	Jan. 3	Dec. 15
Canada Cement, pf.	$1	Dec. 20	Nov. 30
Can. Perm. Mtge.	$2	Jan. 3	Dec. 15
Can. & For. Secs.	6c	Feb. 1	Jan. 16
Cariboo Gold	2½c	Jan. 3	Dec. 7
Do., extra	2½c	Jan. 3	Dec. 7
Comm. Alcohols, pf.	10c	Jan. 15	Jan. 2
Carnation Co., c.	50c	Jan. 3	Dec. 12
Do., extra	50c	Dec. 19	Dec. 12
Carnation Co., pfd.	$1.25	Jan. 3	Dec. 12
Central C. Loan	$2	Jan. 3	Dec. 19
Central Pat. G.	4c	Jan. 3	Dec. 15
Do., extra	2c	Jan. 3	Dec. 15
Cons. Bakeries	25c	Jan. 3	Dec. 15
Do., extra	15c	Jan. 3	Dec. 15
Can. Canners, 1st pf.	25c	Jan. 3	Dec. 15
Do., 2nd pref.	15c	Jan. 3	Dec. 15
Can. Wire Box, A	37½c	Jan. 2	Dec. 15
Cons. Smelters	50c	Dec. 31	Dec. 9
Do., extra	$1	Dec. 31	Dec. 9
Dom. Foundries, c.	40c	Jan. 3	Dec. 20
David & Frere, A	15c	Dec. 31	Dec. 15
Do., bonus	10c	Dec. 31	Dec. 15
Distil.-Seag., pref.	$1.25	Feb. 1	Jan. 20
Dominion Coal, pf.	38c	Jan. 2	Dec. 15
Dominion Glass	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Dominion Bank	$2.50	Jan. 3	Dec. 20
Dom. Textile	$1.25	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 16	Dec. 31
Eastern Car, pref.	▲$30	Dec. 15	Aug. 4
Eastern Steel, pf.	$1.75	Jan. 1	Dec. 15
European Elec., A, B	30c	Dec. 19	Dec. 12
Fanny Farmer	25c	Dec. 27	Dec. 15
Do., extra	50c	Dec. 27	Dec. 15
Falconbridge N.	7½c	Dec. 29	Dec. 8
Famous Players	15c	Dec. 2	Dec. 16
Do., extra	20c	Dec. 22	Dec. 16
Great-West Life	$5	Jan. 3	Dec. 20
Guelph & Ont. Inv.	$1.50	Jan. 3	Dec. 20
Guelph Trust	$1.25	Jan. 3	Dec. 20
Goodyear Tire	63c	Jan. 3	Dec. 15
Do., extra	$5	Dec. 29	Dec. 15
Do., pref.	62½c	Jan. 3	Dec. 15
Gatineau Power, pf.	$1.25	Jan. 1	Dec. 1
Greening Wire	15c	Jan. 2	Dec. 15
Huron & E. Mtge.	$1	Jan. 3	Dec. 15
Ham. Un. Theat., pf.	$1.50	Dec. 31	Nov. 30
Hedley Mascot	3c	Jan. 3	Dec. 1
Do., extra	1c	Jan. 3	Dec. 1
Halifax Fire	50c	Jan. 2	Dec. 10
Hamilton Cotton, p.	50c	Jan. 2	Dec. 15
Harding Carpets	10c	Jan. 3	Dec. 17
Hinde & Dauch	25c	Dec. 21	Dec. 10
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	5c	Dec. 31	Dec. 16
Inter. Milling, pf.	$1.25	Jan. 16	Jan. 3
Inter. Nickel, c.	50c	Dec. 31	Dec. 2
Int. Nickel, pfd.	$1.75	Feb. 1	Jan. 3
Imperial Tob.	10c	Dec. 31	Dec. 9
Inter. Power, pf.	$1.50	Jan. 3	Dec. 15

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 225

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1938, making a total distribution of ten per cent for the current year — the Dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the third day of January, 1939, to shareholders of record of the 20th December, 1938.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 17th November, 1938.

Acme Glove Works Limited

DIVIDEND NOTICE

A quarterly dividend of One and Five Eighths Per Cent (1⅝%) has been declared upon the Six and One Half Per Cent (6½%) Cumulative Preferred Shares of Capital Stock of this Company, to be paid January 3rd, 1939, to shareholders of record at the close of business on December 17th, 1938.

A dividend of Twelve and One Half Cents (12½c.) per share has been declared on the No Par Value Common Stock of this Company, to be paid January 3rd, 1939, to shareholders of record at the close of business on December 17th, 1938.

By order of the board,

C. H. DAWSON,
Secretary.

Montreal,
December 9th, 1938.

Investment Foundation Limited

Preferred Dividend No. 39

NOTICE is hereby given that a Dividend of 75 Cents per share (being at the rate of 6% per annum) and a further Dividend of 25 Cents per share on Account of Arrears of Preferred Dividend accrued, have been declared on the Cumulative Convertible Preferred Stock of this Company, for the Quarter ending December 31st, 1938, payable January 15th, 1939, to Shareholders of record December 31st, 1938.

By Order of the Board,

R. M. BROWN,
Secretary-Treasurer.

Sun Life Assurance Company of Canada

Head Office: Montreal

Stock Transfer Department

Notice is hereby given that a dividend of three dollars, seventy-five cents ($3.75) per share on the capital stock of the Company has been declared for the quarter ending December 31st, 1938, and will be paid on January 1st, 1939, to shareholders of record at the close of business on December 16th, 1938.

The stock transfer books of the Company will be closed from December 17th to December 31st, both dates inclusive, for the preparation of the above dividend.

By Order of the Board,

F. J. Cunningham,
Secretary.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1938, together with an additional payment of 1% for the year ending December 31st, 1938, payable January 1st, 1939, to shareholders of record at the close of business December 15th, 1938.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto, November 17, 1938.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Int. State Rlty., A	28c	Jan. 1	Dec. 15
Inter. Mining	15c	Dec. 20	Dec. 13
Inter. Paints, pf.	$1	Dec. 21	Dec. 9
Do., extra	25c	Dec. 21	Dec. 9
Jam. Pub. Service	43¾c	Jan. 3	Dec. 15
Do., pref.	$1.75	Jan. 3	Dec. 15
Lamaque Gold	10c	Jan. 2	Dec. 20
Landed Bkg.	$1.25	Jan. 3	Dec. 15
Lava Cap. M.	3c	Dec. 22	Dec. 10
Lang & Sons	17½c	Jan. 3	Dec. 15
Little L. Lac	10c	Dec. 22	Dec. 10
Midland Loan	40c	Jan. 3	Dec. 15
Mtl. C. & D. Bank	$3	Jan. 3	Dec. 15
Mitchell, J. S., pf.	$1.75	Jan. 3	Dec. 16
Moneta Porc.	3c	Jan. 15	Dec. 31
Moore Corp.	40c	Jan. 3	Dec. 7
Do., extra	40c	Jan. 3	Dec. 7
Do., pref. A & B	$1.75	Jan. 3	Dec. 7
McColl-Fron., pfd.	$1.50	Jan. 14	Dec. 31
Melchers Dist., pf.	30c	Dec. 31	Dec. 15
National Brew.	50c	Jan. 3	Dec. 15
Do., pref.	43c	Jan. 3	Dec. 15
Neon Pr. Invest.	25c	Dec. 20	Dec. 5
N. S. Light, c.	$1.50	Jan. 3	Dec. 17
Noranda Mines	$2	Dec. 22	Dec. 5
Nat. Grocers, pf.	$1.75	Jan. 2	Dec. 20
National Trust	$2	Jan. 3	Dec. 21
Nor. Ont. Power	75c	Jan. 25	Dec. 31
Do., pref.	$1.50	Jan. 25	Dec. 31
North Star Oil, p.	8¾c	Jan. 3	Dec. 15
Ogilvie Flour, c.	25c	Jan. 3	Dec. 19
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Page-Hersey	$1	Jan. 2	Dec. 15
Pickle Crow	10c	Dec. 31	Dec. 15
Premier Gold	3c	Jan. 16	Dec. 16
Paymaster Cons.	1c	Jan. 16	Dec. 31
Perron Gold	*4c	Dec. 21	Dec. 1
Do., extra	1c	Dec. 21	Dec. 1
Pioneer Gold (B.C.)	10c	Jan. 3	Nov. 26
Power Corp.	30c	Dec. 21	Dec. 3
Do., pref.	$1.50	Jan. 16	Dec. 31
Do., 2nd pref.	75c	Jan. 16	Dec. 31
Porto Rico Pwr., p.	$1.75	Jan. 3	Dec. 15
Quebec Gold	‡2c	Dec. 28	Dec. 21
Reno Gold	1½c	Jan. 3	Dec. 10
Remington-Rand	20c	Jan. 3	Dec. 9
Do., pref.	$1.12½	Jan. 3	Dec. 9
Royal Can. Oils	‡1c	Dec. 21	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 15
R. S. Mills, A	50c	Jan. 3	Dec. 15
Russell Ind.	$1.50	Dec. 31	Dec. 15
Do., extra	$1	Dec. 31	Dec. 15
Do., pref.	$1.75	Dec. 31	Dec. 15
Securities Hold., p.	65c	Jan. 3	Dec. 22
Sterling Trusts	$1.50	Jan. 3	Dec. 20
Sun Life	$3.75	Jan. 1	Dec. 16
Sheep Creek G.	3c	Jan. 14	Dec. 31
Do., extra	1c	Jan. 14	Dec. 31
Smith, H., Pap., pf.	$1.50	Jan. 16	Dec. 31
Sylvanite Gold	5c	Dec. 30	Nov. 21
Simon & Sons	15c	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
South. Am. Gold	10c	Dec. 20	Dec. 10
Sher.-Williams, pf.	▲$1.75	Jan. 3	Dec. 15
South Can. Pwr.	20c	Feb. 15	Jan. 31
Do., pref.	$1.50	Jan. 16	Dec. 20
Stedman Bros.	15c	Jan. 1	Dec. 20
Do., pref.	75c	Jan. 1	Dec. 20
Supersilk H., 1st pf.	$2.50	Jan. 2	Dec. 16
Supertest P., c. & ord.	50c	Jan. 3	Dec. 16
Do., extra	25c	Jan. 3	Dec. 16
Do., pref. (B)	75c	Jan. 3	Dec. 16
Tamblyn	*20c	Jan. 3	Dec. 15
Do., pref.	62½c	Jan. 3	Dec. 15
Thayers, pref.	$3.50	Jan. 1	Dec. 20
Teck-Hughes	10c	Jan. 2	Dec. 9
Tor. Gen. Trusts	$1	Jan. 3	Dec. 17
Toronto Mtge.	$1.50	Jan. 3	Dec. 15
Un. Bond & Sh.	15c	Jan. 15	Dec. 31
Viau pref.	$1.25	Jan. 3	Dec. 20
Ventures	10c	Jan. 4	Dec. 16
Weston, Geo., c.	20c	Jan. 2	Dec. 15
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Wabasso	25c	Jan. 3	Dec. 17
West. Assur., pf.	$1.20	Jan. 3	Dec. 31
West Koot. Pr., pf.	$1.75	Dec. 31	Dec. 14
Wr.-Hargreaves	10c	Jan. 3	Nov. 23
Do., extra	5c	Jan. 3	Nov. 23
Do., interim	10c	Jan. 16	Dec. 1

*Interim. ‡Initial. ▲On arrears.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 12th day of January, 1939, at 11 o'clock a.m.

S. G. DOBSON,
General Manager.

Montreal, December 1, 1938.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the twenty-fifth day of January, 1939, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 8th December, 1938.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 313
EXTRA DIVIDEND NUMBER 50

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 31st day of December, 1938, to shareholders of record at the close of business on the 16th day of December, 1938.

Dated the 9th day of December, 1938.

I. McIVOR,
Assistant-Treasurer.

The Canadian Light and Power Company

NOTICE is hereby given that a dividend of one-half of one per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31, 1938, payable January 16, 1939, to shareholders of record December 24, 1938.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, December 12, 1938.

The Wabasso Cotton Company Limited

Notice of Dividend

A dividend of twenty-five cents per share has been declared on the capital stock of The Wabasso Cotton Company Limited payable 3rd January, 1939, to shareholders of record as at close of business on 17th December, 1938.

By Order of the Board,

H. W. CAPEL,
Secretary-Treasurer.

Montreal, Que.,
8th December, 1938.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.50 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

3rd January, 1939,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

1st December, 1938.

SECURITIES HOLDING CORPORATION Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Sixty-Five Cents per share has been declared upon the preferred shares of the Company, payable January 3rd, 1939, to shareholders of record at the close of business on the 22nd day of December, 1938.

By order of the Board.

F. T. LARGE,
Secretary.

Toronto, December 10th, 1938.

FRONTIER ROYALTIES LIMITED

Notice of Distribution

NOTICE is hereby given that a distribution, in accordance with the terms of the Trust Agreement, will be made on or after the 24th day of December, 1938, from the proceeds of production for the period ending the 30th day of November, 1938, to Shareholders of record as of the 20th day of December, 1938.

By order of the Board of Directors.

J. G. GEMMELL, Secretary.

Calgary, Alberta, Dec. 9, 1938.

Transfer Agents: The Trusts and Guarantee Co. Ltd., Calgary, Alta.

CORONATION ROYALTIES LIMITED

Notice of Repayment

PURSUANT to the Trust Agreement dated the 24th day of November, 1937, whereby Drilling Contractors Limited borrowed certain moneys for the purpose of drilling the Coronation Well, the Company is now in a position to commence partial repayment of these amounts on or after the 24th day of December, 1938, to Shareholders of record as of the 20th day of December, 1938, in accordance with the terms and conditions fully set out in the said Trust Agreement.

Dated at Calgary, Alberta, this 9th day of December, 1938.

J. G. GEMMELL, Secretary.

Transfer Agents: The Trusts and Guarantee Co. Ltd., Calgary, Alta.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record December 31st, 1938, payable January 16th, 1939.

SHARE WARRANT holders will present Coupon No. 42 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.

E. M. STRAIN,
Secretary.

320 Bay St., Toronto.

Fleet Aircraft Widen Capital

Will Double Number of Shares — May Offer Rights

From Our Own Correspondent

MONTREAL.—Fleet Aircraft Ltd. has called a special meeting of shareholders at Toronto for Dec. 19 to pass on a by-law increasing the authorized capital from 100,000 to 200,000 shares. The additional stock will be sold for a consideration not exceeding $1 million.

Capital obtained by sale of the proposed additional shares will be used for plant extension at Fort Erie. Expansion is thought advisable in view of current and pending British orders for aircraft. However the company does not plan to sell all of the additional 100,000 shares and directors have not yet decided how much new capital will be involved at the present time by plant expansion.

May Issue Rights

Plans are reported to have been discussed for an issue of rights to stockholders of Fleet Aircraft on a basis of 1 new share for each 3 held at $10 a share, which would provide $300,000 of new capital.

New capital will be required not only for plant expansion but to cover the company's contribution to the finances of Canadian Associated Aircraft, the central organization formed to handle British aircraft orders.

Can. Bakeries May Reorganize

Only Hope of Preferred Shareholders in New Capital Structure

In a letter to the first preferred shareholders of Canadian Bakeries Ltd., R. W. Ward, president, states that the only hope of the first preferred shareholders receiving any return from their investment at any early date, lies in capital reorganization.

Reorganization would have to be obtained through the co-operation of the bondholders, first and second preferred shareholders and common shareholders.

Outstanding capitalization and arrears of the company at Aug. 31, 1938, was as follows:

Capitalization at August 31, 1938	$
6½% 1st mtge. bonds	569,700
1st pref., 7%, par $100	913,000
2nd pref., 7%, par $100	1,000,000
Class A stock, n.p.v.	20,000 shs.
Arrears at August 31, 1938	$
1st pref.	461,065
S. F. requirements	80,000
2nd pref.	560,000

If the capital structure were reorganized and the deficits eliminated, profits of the last fiscal year and the further improvement in earnings for the first quarter of the current year, if continued, would justify the payment of a dividend of some kind, according to Mr. Ward.

If the preferred shareholders are willing to consider a capital rearrangement, it is stated that the management will proceed to negotiate with the bondholders and other classes of shareholders affected by reorganization.

Canadian Bakeries, controlled by Maple Leaf Milling Co., is engaged in the manufacture and wholesale and retail distribution of bakery products in B. C., Alberta and Saskatchewan.

DIVIDEND NOTICES

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 3rd, 1939, to Shareholders of record as at close of business December 15th, 1938.

W. S. BARBER,
Secretary-Treasurer.

TORONTO, Ontario.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the One Hundred and Third Quarterly Dividend of One and Three-Quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending February 28, 1937, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of December, 1938, and that cheques will be mailed January 3, 1939.

Books not closed.

By Order of the Board,

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.
November 14, 1938.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1¼% for the current half year ending December 31st, 1938, has been declared on the capital stock of the Corporation, and will be payable on January 3rd, 1939, to shareholders of record at the close of business on December 20th, 1938.

By order of the Board.

JAMES R. LOVATT,
Secretary.

Week in Wheat

Stronger Prices Seen In Prospect for Wheat

Traders Look to Bullish Factors in Present Situation to Register More Influence on Flattened Market — U. S. Outlook

From Our Own Correspondent

WINNIPEG.—Early in the week there seemed to be prospect of a stronger tone developing in the wheat market. Interest later flattened out, although there are many observers who believe that somewhat stronger prices are in the making.

That belief is based on the fact that all the bearish factors of the present situation are now fully known, and have been known long enough to be fully discounted by the market. From now on, the theory goes, the bullish factors should tend to receive greater attention.

One of these is the fact that a decrease of possibly 10,000,000 acres in the winter wheat acreage of the United States has occurred. A reduction of several million acres in the spring wheat area is considered probable under stimulus of reduction payments offered by the United States treasury.

Coupled with the unfavorable condition in which the crop is going into the winter, with likelihood of considerable abandonment, it is quite possible that the U. S. crop harvested in 1939 will fall short of a year's domestic consumption.

Foreign Markets

England reports the prospect of heavy use of wheat for feeding, as lower grades of wheat are now decidedly cheaper there than corn. An increase of wheat feeding on the Continent is also possible.

Both Italy and Germany seem likely to import considerably more wheat than seemed in prospect at the beginning of the year, with imported wheat so cheap it is likely that restrictions on milling will be relaxed, especially those requiring corn meal to be mixed with flour. Such a requirement no longer represents economy.

With the inclusion of Austria and the Sudeten area, Germany is again frankly on an import basis for the bread grains. Italy is also importing more freely than was expected from previous declarations of wheat self-sufficiency this year.

The statement that wheat consumption this year in the world will be considerably higher than ever before seems to be justified. The Indian harvest seems to be in considerable danger from dry weather. The imposition of a duty on imported wheat by the Government of India seems to confirm the belief that supplies of wheat are currently sufficient, but does not prove that the country can do without extensive imports during 1939.

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British-U. S. Deal

Reports now suggest that the recent deal made by the United States administration with British millers is for 25 million bushels of wheat to be taken during the next seven months. The milling trade was willing to make this extensive purchase in return for an undertaking that flour exports to the United Kingdom would no longer be subsidized by the United States.

The immediate effect seemed to be a slowing up of forward commitments by millers for Canadian wheat. Quite possibly, however, this was also the result of waiting for developments in the Argentine. Although some new crop is now moving to terminals, shipments in bulk will not develop for several weeks yet, until which time it will be difficult to make sure on what basis the Argentine grain board will be doing business.

• • •

Australian Subsidy

The Australian plan for aiding wheat growers appears to be to establish a high domestic price for flour and distribute the proceeds among the producers. Australia has produced a small crop estimated to be under 140 million bushels. That leaves an export surplus of from 80 to 90 million bushels. Even that is likely to prove embarrassingly large with Australia's usual outlet in China largely shut off by war conditions.

The British market will absorb only limited quantities of the soft white wheat produced in Australia, and this type of wheat is but little wanted on the Continent. Australian wheat, in consequence, is quoted in the Liverpool market at almost 10 cents a bushel under No. 3 Northern, which makes the seaboard price in Australia about 48 cents a bushel.

The country consumes about 35 million bushels of wheat annually in the form of flour. An excise tax on flour locally used is to be imposed which will have to be 70 cents a bushel or more to raise the price of such flour to the basis of $1.20. That will give the Government a fund of possibly $25,000,000, which spread over possibly 125 million bushels of wheat marketed by farmers would mean a bonus of 20 cents a bushel. That might give the producers an equivalent of 68 cents a bushel at seaboard.

Apparently wheat is to be allowed to flow to market through regular channels without passing through the hands of any government board. The very low market price may possibly lead to absorption of some considerable quantities for feeding to sheep.

Algoma Consol. Assets To Be Distributed Soon

Montreal Trust Co. was appointed permanent liquidator of Algoma Consolidated Corp. on Oct. 6, 1938. Preparations for the liquidation of the enterprises are now under way. Some announcement of a distribution is expected in the next month or so.

Preferred shareholders will probably receive a small payment but it is unlikely that anything will be left for common shareholders.

ARREARS REDUCED

From Our Own Correspondent

MONTREAL.—Directors of Investment Foundation Ltd. have declared a dividend of 75 cents a share on the preferred, plus 25 cents on account of arrears, both payable January 15, 1939, to shareholders of record December 31, 1938. This reduces the arrears on the preferred to $4 a share.

Commodities

Commodities during the week have moved irregularly. Cotton rubber and silk all moved upward while sugar, coffee and hides were lower.

Among the agricultural products there was a stiffening in hog prices to $9.50 per cwt. with cattle remaining unchanged.

The net result was that index numbers generally were lower.

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$7.00	$8.00
Hogs	9.50	9.00	8.90
Copper, lb.	.11¼	.11¼	.11
Cotton, lb.	.0868	.0859	.0817
Rubber, lb.	.1611	.1587	.1537
Sugar, raw, lb.	.0285	.03	.0320
Silk, lb.	1.79	1.79	1.58
Wheat, Man. (bus.)	.62	.60¾	1.34½
Coffee, lb.	.05⅝	.05½	.06¼
Hides	.11	.11⅛	.10½
Weekly Indices			
Canada (D.B.S.)	73.4	73.5	82.5
Do., Wood, Gundy	55.1	55.4	61.8
U. S. Labor	77.4	77.3	82.0
Dow Jones (future)	47.54	47.80	53.63
Crumps (Brit.)	71.1	71.3	77.3
Fisher's	79.8	80.4	84.3
Monthly Indices			
Canada (D.B.S.)			
Retail (Nov.)	83.7	83.8	84.2
W'sale (Oct.)	74.1	74.5	84.7
U. S. (Sept.)	78.3	78.1	87.4
Gt. Brit. (Sept.)	98.4	99.5	111.2

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 man. North., Ft. W.-Pt. A. Basis. Hides — No. 1 packer light.

Wheat Prices

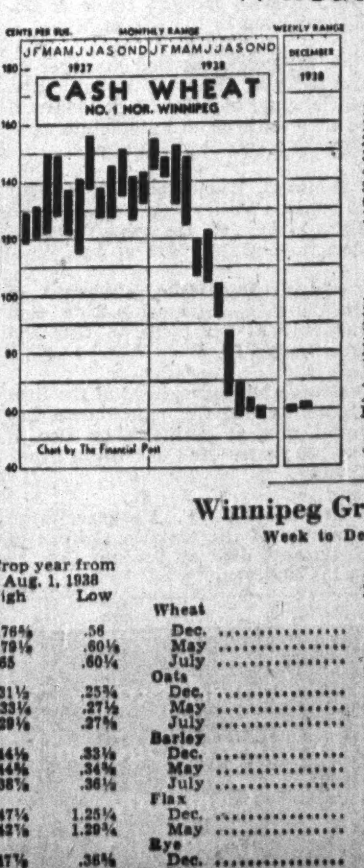

Chart by The Financial Post

(Cash Quotations)

	For Week Dec. 13 High	For Week Dec. 13 Low	Prev. Week High	Prev. Week Low
1 Hard	.62	.60⅝	.61	.59
1 Northern	.62	.60⅝	.61	.59
2 Northern	.59	.57⅝	.58	.56
3 Northern	.54	.52⅝	.53	.51
4 Northern	.47¼	.45⅝	.46¼	.44¼
5 Wheat	.40¾	.39⅛	.39¾	.38¼
6 Wheat	.36¾	.35⅛	.35¾	.33¾
Feed Wheat	.34¾	.33⅛	.34¾	.32¾

Competitive Export Prices: Dec. shipments.

	Week to Dec. 13 High	Low
No. 1 North. (Vanc.)	.78¾	.77½
No. 1 U. S. dark‡	.66¼	.65⅛
No. 2 U. S. dark‡	.63¼	.62½
No. 3 North. (Atlan.)	.78	.76¾
U. S. White Pac., Jan.-Feb.	.65½	.63⅝
Australian (afloat)	.70	.69⅛
Argentine Rosafe†	.65½	.62¾
Roumanian	.55⅞	.52⅝

‡Hard winters, Dec.-Jan. Jan.-Feb. †63½ lb.

Winnipeg Grain Futures

Week to Dec. 13, 1938

Crop year from Aug. 1, 1938 High	Low		Open Dec. 7	High for week	Low for week	Close Dec. 13	Close year ago
		Wheat					
.76⅝	.56	Dec.	.60½	.62¼	.59⅞	.60⅞	1.20⅝
.79⅛	[illegible]	May	.62⅝	.64⅝	.62¼	.63	1.15⅝
.65	[illegible]	July	.62⅝	.65	.62⅞	.63⅝	1.10⅞
		Oats					
.31½	[illegible]	Dec.	......	.28⅞	.28⅛	.28⅝	.46
.33¼	[illegible]	May	.28⅞	.29¾	.28⅞	.29	.45¼
.29⅛	[illegible]	July	.28½	.29⅛	.28⅝	.28½	.42¼
		Barley					
.44⅝	[illegible]	Dec.	.37	.38⅞	.36⅞	.36⅞	.58¼
.44⅞	[illegible]	May	.37⅞	.39⅝	.37¾	.37⅞	.58
.38⅞	[illegible]	July	.37⅝	.38⅛	.37⅛	.37⅝	.56
		Flax					
1.47¼	[illegible]	Dec.	......	1.47¼	1.44⅝	1.47¼	1.66
1.42⅞	[illegible]	May	......	1.42⅞	1.39½	1.42⅞	1.69
		Rye					
.47⅝	[illegible]	Dec.	.39	.40⅝	.39	.39¾	.74⅛
.47⅝	[illegible]	May	.41⅛	.42⅝	.41	.41¾	.76
.43	[illegible]	July	......	.43	.41¾	.42½	.74⅝

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Toronto Exchange Trading At Low Level Last Month

Trading on the Toronto Stock Exchange slumped to the lowest levels of the year in November. Only 12.6 million shares were traded compared with 19.1 million shares in October and 13.8 millions in November, 1937.

Value of shares traded in Nov., 1938, was $37.7 millions against $48.8 millions in October, 1938, and $37.3 millions in Nov., 1937.

For the first 11 months of 1938, volume of trading on the Toronto exchange has totalled 197.7 million shares with a value of $416.7 millions. For the 12 months of 1937 276.5 million shares were traded having a value of $651 millions.

Average yields of stocks listed on the Toronto exchange rose during the month. As at Nov. 25, average yield on bank stocks was 4.34%, preferreds yielded 5.77%, commons 5.43%, mines 7.76%, and all stocks 6.11%. Corresponding yields as at Oct. 31 were banks 4.26%, preferreds 5.75%, commons 5.40%, mines 7.23% and all stocks 5.76%.

Value of all stocks listed was $4,983.9 millions at the end of November this year compared with $5,068.9 millions at the end of October and $4,564.8 millions at the end of November, 1937. Changes in market values are illustrated by average prices per share of all stocks listed. At the end of Nov., 1938, average price of all stocks was $6.97 a share, compared with $7.17 a share at the end of October and $6.59 a share at the end of November a year ago.

Preston E. Dome Resumes Sinking

Property of Preston East Dome Mines has been prepared for a production of 300 tons of ore daily, according to a progress report released over the signature of L. I. Hall, secretary. Early in December preparations were to be made to resume shaft sinking below the sixth level.

It now appears the property will be brought into production during February, the report states, with ample working capital on hand. Financial position of the company is reported good.

Mill and crusher house buildings have been housed in and good progress is being made with auxiliary buildings. No further shipments of high-grade ore are contemplated; a shipment of 36 tons in November averaged 8.46 oz. gold.

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Insurance

Revised Fire Policy Removes Restrictions

With many fire insurance companies operating both in Canada and the United States, developments on one side of the line are usually reflected on the other. Accordingly, changes suggested in the standard fire insurance policy of the United States are of importance to Canadian fire companies.

As matters have been in both countries, the ordinary fire policy has been subject to a great many endorsements widening or defining more closely the coverages given. Many of the restrictions were aimed at the dishonest who attempt to defraud insurance companies. But it was felt that the hardship worked to the great majority of honest buyers of insurance was disproportionate.

Many of these restrictions were overcome by endorsements. Some of the larger agency firms in Canada have riders of their own which they attach to policies giving protection to articles which may be excluded under the statutory conditions of the standard policy. But unless these are added by the agent the insurance buyer often does not get them.

All In One Form

With the object of simplifying and modernizing forms now in use and to eliminate restrictive clauses and reduce the unnecessary number of riders and endorsements, the United States insurance commissioners have been working on a revised policy which will combine the various coverages in one form. The revision has now been completed and the new form has been submitted to the companies and all interested parties for study so they may make any suggestions desired when it comes up for final approval.

Important Features

Notable features of the new form are: (1) It extends coverages given; (2) Eliminates restrictions; (3) The policy is made an "interest" policy and not a sole and unconditional ownership policy. By the latter is meant that the interest of an insured in a policy is not voided if he does not own the property free of all encumbrances as was the case formerly.

Under the proposed revision in the United States some of the changes are as follows: It gives insurance against all types of damage which might arise from fire and associated perils. It protects against direct loss and damage by fire, lightning and explosion except steam boiler and similar explosion and against loss by smudge and smoke due to faulty and unusual operations of a furnace.

Windstorm Not Included

It covers in fact all types of claims which might affect a dwelling or manufacturing establishment—given now by riders or supplementary coverages. Windsorm and tornado insurance, however, are not included as regular coverages as they are not regarded as a nation-wide hazard.

Among restrictions eliminated is the clause stating that factories if operating between 10 p.m. and 5 a.m. were not covered. This is removed, while the period of 15 days allowed for alterations and repairs is extended.

Term Unoccupancy Deleted

The clause voiding a policy if premises be unoccupied is deleted and the vacancy clause is extended from 10 to 30 days. This means that if a person is away on vacation for a 30-day period the insurance does not lapse. The prohibition against concurrent insurance is also removed but it is provided that where other insurance on the risk or a part of it is carried, the company may limit the total amount of the insurance.

Insurance Notes

C. F. Dunfee has been appointed by the Great West Life Assurance Company as superintendent of agencies for Ontario. He will remain as manager of the company's main Toronto branch. Mr. Dunfee joined the Great West in 1916. He established an outstanding sales record in the field and had managerial experience in the company's branch offices at Regina, Vancouver and Winnipeg, before moving to Toronto over a year ago. He was at one time provincial vice-president of The Life Underwriters Association of Canada and is at present a director of that organization.

* * *

Conditions in regard to outstanding agents' balances in Ontario are not satisfactory, according to Hartley D. McNairn, superintendent of insurance for the province. Total amount of agents' balances outstanding more than 90 days, on the books of the companies and general agents, reached $455,000 as at Sept. 30 last. The 1,089 agents reported with balances overdue numbered 42 less than on the same date last year but were 294 more than in the previous quarter. Agents reported with balances more than six months overdue totalled 309, an increase of 51 for the quarter and 49 for the year.

* * *

Prevalence of robberies in different parts of the country are giving insurance salesmen ammunition for a campaign to sell burglary and robbery policies. In Toronto, for instance, there have been 196 robberies reported in 1938 up to Dec. 11, in 65 of which messengers were involved. These did not include 12 attempts to rob other boys. A year ago the total figure was 79. Cases of housebreaking were 416 which is somewhat lower than the 502 reported for 1938 to Dec. 11. Sale of burglary and robbery insurance accordingly is being pressed by many agents.

* * *

In an address at Port Arthur, Ont. George H. Harriss of the Sun Life Assurance Co. stated that since 1930 the life insurance companies of Canada have paid out $1,400,000,000. This, he said was 85 to 90% more than all forms of relief combined, federal, provincial and municipal, and it was paid out at death, old age or for financial emergencies.

Health Insurance Plan For B. C. Taking Form

From Our Own Correspondent

VANCOUVER.—Hon. George M. Weir, British Columbia's minister of health, is whipping into shape a new health insurance scheme which he hopes will have the support of the medical profession.

Dr. Weir plans to have a conference at an early date with the College of Physicians and Surgeons to obtain their views on the proposed measure.

Several municipalities have applied for authority to establish health insurance schemes of their own.

New Licenses

The Dominion Department of Insurance has issued certificates of registry to the following companies authorizing them to transact in Canada the lines of insurance indicated:

Northwestern Mutual Fire Association—Insurance against intentional or other damage to, or loss of, property of any kind, real or personal, in addition to the classes for which it is already registered.

Formal Dresswear

FORMAL DRESSWEAR from "Levy Bros." impart to gentlemen of discernment the character and distinction associated with fine hand tailored clothes and exclusive quality fabrics by well dressed men the world over.

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FIRE, WINDSTORM, AUTO CASUALTY

Mutual Life Co. In 70th Year

Waterloo Company's Charter Was Granted Dec. 19, 1868

Dec. 19 will mark completion of 70 years since the Mutual Life Assurance Company of Canada received its first charter. Great changes have taken place in Canada in those 70 years but the growth and development of Canada's pioneer mutual life company has in its own way been just as noteworthy. From a small and hazardous beginning its climb to a place among the great insurance companies of the country has been one of the romances of Canadian business.

The company owed its beginning to the belief of its founders that with capable management a life company could be conducted without the assistance of private capital. They had seen in their own town the Waterloo Mutual Fire Insurance Company which began business in 1863 attain success and this undoubtedly was a factor in their decision.

The charter was granted on the condition that a minimum of 500 intending policyholders should take out policies of a minimum of $1,000 each so that the company would start with business in force of $500,000.

Organization took place in the early months of 1869 and by March next year the premiums on the $500,000 insurance had been collected. It was first known as the Ontario Mutual Life Assurance Company, the name being changed in 1903.

Business Expansion

From $500,000 insurance in force in 1870 the company has grown until at the close of 1937 it had $550.5 millions in force with assets of $169.8 millions.

The company has extended its operations gradually to Newfoundland, New York State and Bermuda.

It has found its location in Waterloo, away from the larger financial centres, no handicap. Benefitting from cheap land it adds when necessary to its head office building, set in spacious grounds.

Floater Policy Form Broadened

Limit of $250 on Unscheduled Jewellery, Furs and Watches Lifted

Among the clauses in the personal property floater insurance policy to which some objection was raised following approval of the policy were two which recently came before the Joint Committee on Definition and Underwriting Powers. One of these was the provision limiting the coverage on unlisted personal jewellery, watches and furs to $250. Another was that limiting the liability on money, notes, securities, etc., to $50.

The recommendation of the committee, as concurred in by the Ontario Superintendent, is that authority be granted to extend the coverage on unscheduled furs, watches, and personal jewellery, by endorsement for an additional premium, to larger amounts than the $250 limit.

With regard to the $50 limitation on money, notes and securities, it was decided that as this limitation is the same as in the standard burglary policies, no change was necessary.

Insurance Problems

Term Insurance

I have had it suggested to me that term insurance is cheaper and better than the ordinary kind of life insurance. What is your opinion? Would I be well advised to change the insurance I have which is on the straight life plan into a greater amount of term insurance?

Without knowing more of your personal affairs it is rather difficult to give advice. Term insurance has its value. It also has its disadvantages.

Points of difference to be remembered between it and insurance on what is known as the level premium plan include the following:

In term insurance there is no reserve to fall back on in case you do not meet your premiums as they come due.

If the term policy is renewed every 10 years or so it will be at a constantly increasing rate which will make it harder for you to carry in the later years and may mean that you will then have to cut the amount you carry.

There is no cash surrender value or loan value in term insurance to which you can turn in emergency.

These considerations should make a person consider carefully before they make any change such as you suggest.

Company Reports

Canada Dry

Canada Dry Ginger Ale, Inc., reports net profits for the year ended Sept. 30, 1938, little changed from a year ago. A dividend of 25 cents a share was paid Sept. 19, 1938, first payment since 1935.

The latest period marks the second full year under the present operating policy. This has involved establishment of manufacturing and distributing plants near larger markets and inauguration of direct delivery service to the retail trade.

During the past year manufacturing plants were established at Mt. Vernon, N.Y., Pittsburgh, Penna. and Dallas, Texas. R. W. Moore, president, states that sales volume showed increases in each case which is reflected in gains in sales of carbonated goods of more than 800,000 cases.

Net profits from the carbonated division were somewhat lower, attributed by Mr. Moore to expenses incidental to establishing new facilities. Gross sales of liquor were lower in the past year. Much of the increase in carbonated sales occurred in the first four months of the year.

Canadian Income Down

Net income from the Canadian subsidiary was slightly down from the previous year while that of the U.S. carbonated beverage department improved somewhat. The direct delivery policy is also working in Canada and a new plant has been established in Winnipeg.

Comparison of the more important balance sheet items as at the end of the past two years is shown in the following tabulation:

Comparative Items As at Sept. 30

	1938 $	1937 $
Cash	1,853,194	2,045,998
Inventories	1,573,936	1,893,608
Receivables, less res.	1,306,998	1,248,562
Land, bldgs., etc.*	3,425,282	3,109,808
Funded debt	418,454	457,703

*After depreciation.

Carbonated beverage sales by the company last year approximated 9.5 million cases. This compares with 3.5 million cases in 1935. Approximately 60% of the past year's net income came from sale of carbonated beverages and 40% from alcoholic beverages.

Consol. Income and Surplus Account Years Ended Sept. 30

	1938 $	1937 $
Sales	15,368,862	15,051,741
Less: Returns & allow.	445,484	224,614
Net sales	14,923,378	14,827,127
Less: Cost of goods	7,085,329	6,971,048
Adv., sell., adm. exp.	6,740,703	6,588,793
Deprecation	293,386	242,069
Net oper. income	803,960	1,025,217
Add: Other income	54,406	10,184
Less: Other deductions	35,076	54,941
Est. inc. taxes	104,923	149,859
Est. surtax	31,985	100,128
Net profit	691,381	730,474
Less: Divds. paid	153,789	......
Surplus for year	537,592	730,474
Add: Previous surplus	3,755,896	4,784,922
Reserves w/b	200,000	42,454
Less: Loss on beer bot.	7,757	88,000
Reval. cases	25,337	274,275
Mtge. res. & exp.	11,500	999,999
Cap. surplus	......	424,702
Earned surplus fwd.	4,448,893	3,755,896
Earned per Share:	$1.12	$1.18
Shares o/s, $5 par	615,157	615,157

Working Capital

	1938 $	1937 $
Current assets	4,770,079	5,235,703
Current liabilities	830,389	1,155,349
Working capital	3,939,690	4,080,354

Brantford Cordage

Brantford Cordage Co.'s report for the year ended Aug. 31, 1938, shows a substantial reduction in earnings from 1937. According to W. M. Messecar, president, "The slight loss shown may be attributed to the cumulative influence of several poor crop years, which left excessive stocks of binder twine in the hands of the manufacturers and distributors throughout North America at the commencement of the year, with a resulting disposition in many quarters to reduce inventories, regardless of profit, without relying too much upon crop conditions to rectify the situation."

A net loss of $8,146 was shown for the year as a result of these circumstances, as compared with a net profit of $268,117 in the year ended Aug. 31, 1937.

Payments of $1.30 a share were made on the $1.30 cumulative $25 par value first preferred stock during the year, but no payments were made on the 7% cumulative preferred stock of $25 par value, and arrears on the latter class amounted to $427,940 at Aug. 31, 1938 (approximately $17.83 a share). In accordance with the sinking fund requirements, 499 first preferred shares were redeemed during the year and 4,900 second preferred were purchased under authority of the company's charter.

Outstanding first preferred shares were reduced to 38,446 at Aug. 31, 1938, from 38,945, and second preferred to 24,000 from 28,900.

Expect Better Conditions

Total assets fell during the year to $3.3 millions from $3.5 millions in the preceding year; cash dropped to $587,115 from $249,818; inventories to $690,857 from $1.3 million, but bills and accounts receivable, less reserve, were higher at $397,606, as compared with $339,630. Working capital fell off approximately $175,546.

In presenting the annual report, Mr. Messecar stated that the better conditions of crops in the current year had caused a reduction in the company's inventories to normal proportions, and believed that while no exact information was available, the general position of the company in this regard was considerably improved.

Income and Surplus Account Years Ended Aug. 31

	1938 $	1937 $
Net earnings	2,384	343,647
Less: Depreciation	10,530	10,530
Income tax	......	65,000
Net profit	*8,146	268,117
Less: 1st pref. divd.	50,142	51,243
Surplus for year	*58,288	216,874
Add: Prev. surplus	795,296	582,482
Disc. on shares red.	457	......
Less: Prem. on shs. red.	......	1,611
Additional taxes	......	2,449
Surplus forward	737,465	795,296

*Loss or deficit.

Working Capital

	1938 $	1937 $
Current assets	1,675,578	1,872,632
Current liabilities	56,258	77,766

Loew's London

Operations of Loew's London Theatres, Ltd. for the year ended Aug. 25, 1938, resulted in a net profit of $15,722, as compared with net profit of $15,597 in 1937.

Net revenue from the theatre increased to $42,154 in 1938 from $39,909 in the previous year, and net earnings were higher at $23,599, as compared with $22,267.

After deduction of dividends of 70 cents a share on the preferred shares, amounting to $23,619, a loss of $7,897 was shown on the year's operations. Surplus was thereby reduced to $6,633.

Payment of 70 cents during the year on the $10 par value preferred shares brought cumulative dividends paid to Sept. 30, 1934. The shares earned 47 cents in 1938, as compared with 46 cents in 1937. Nothing has been earned on the common since 1932.

Working capital decreased to $41,003 at Aug. 25, 1938, from $69,575 at the preceding year end; cash decreased to $67,298 from $74,179 and total assets increased to $870,338 from $856,544. Renovation of theatre was valued at $15,068.

Income and Surplus Account

	52 wks. ended Aug. 25 1938 $	52 wks. ended Aug. 26 1937 $
Theatre revenue:		
Receipts	142,416	136,176
Sundry	137	829
	142,553	137,005
Less: Theatre exps.	24,621	25,456
Salaries and wages	25,455	24,432
Films	50,323	47,208
Net theatre revenue	42,154	39,909
Add: Rent rec.	25	60
Int. and exch.	979	957
Total revenue	43,168	40,926
Less: Taxes and ins.	12,727	12,706
General	3,797	4,288
Dir's. fees & exps.	467	590
Repairs and renew.	2,578	1,085
Net earnings	23,599	22,267
Less: Depreciation	3,529	3,529
Movie install. w/o	1,211	......
Res. for inc. tax	3,137	3,141
Net profit	15,722	15,597
Less: Pref. divds.	23,619	5,905
Surplus for year	*7,897	9,692
Add: Prev. surplus	14,530	4,838
Surplus forward	6,633	14,530

*Loss or deficit.

Working Capital

	1938	1937
Current assets	67,298	74,179
Current liabilities	26,295	4,604
Working capital	41,003	69,575

West Canadian

Net profit of $36,688 is shown by financial statements of Canadian Public Service Corp. for the year ended June 30, 1938, in a special report issued by West Canadian Hydro Electric Corp., successor company. This compares with a net profit of $19,553 for the year ended June 30, 1937.

In Aug., 1938, Canadian Public Service Corp. was eliminated and ownership of Okanagan Telephone Co. and Inland Ice & Cold Storage Co. transferred to the third subsidiary, West Canadian Hydro Electric Corp. Okanagan Telephone Co. owns the entire common stock of Solar Telephones Ltd. and Summerland Telephone Co.

Gross operating revenue of Canadian Public Service Corp. increased to $455,448 in 1938 from $407,207, and net revenue increased to $205,198 from $173,087. Net earnings totalled $36,847, as against $19,733. Surplus of $38,193 was shown at June 30, 1938, as compared with $1,630 at the end of the previous year.

Capitalization

Capitalization of West Canadian Hydro Electric Corp., according to the balance sheet dated June 30, 1938, was as follows: no par value 80 cent cumulative preference shares, authorized, 250,000 shares, 54,200 of which were issued, and 100,000 no par value common shares, authorized and issued.

Debt interest charges were earned 1.57 times in 1938, as compared with 1.25 times in 1937. Funded debt at June 30, 1938, amounting to $2.1 millions, was as follows: West Canadian 6% first mortgage bonds, $1 million and 6½% convertible debentures, $250,000; Okanagan Telephone Co., 5½% first lien bonds, $501,000 and 6% debentures, $273,000; Inland Ice & Cold Storage Co., 6% first mortgage bonds, $60,000.

Cash amounted to $96,759; accounts receivable, $71,497, and inventories, $47,609.

Consol. Income and Surplus Account Years Ended June 30

	1938 $	1937 $
Gross oper. rev.	455,448	407,207
Non-oper. inc.	4,089	3,094
Divds., Nan.-Duncan	4,063	8,125
Total revenue	463,600	418,426
Less: Oper. exps.	77,964	76,108
Maintenance	53,042	44,390
Depreciation	64,617	64,664
Gen. and admin.	51,708	50,040
Prop. gross rev. tax	5,197	4,802
Net revenue	205,198	173,087
Less: Fund. debt int.	130,522	138,401
Int., exch. & prem.	384	392
Debt disc. and exp.	8,289	6,508
Exps. re reorgan.	5,357	......
Income taxes	17,018	7,521
Can. Eng. Co. acct. w/o	6,781	2,261
Legal expense	......	▲1,729
Net earnings	36,847	19,733
Less: Min. int. in subs.	159	180
Net profit & surp.	36,688	19,553
Add: Prev. surplus	1,630	*17,923
Less: Loss on sink. fd.	125	......
Surplus forward	38,193	1,630

*Deficit. ▲Credit.

Jantzen Reports Small Net Profit

Sales Increase to $331,883 in Year Ended July 31 from $319,019

While sales of Jantzen Knitting Mills of Canada, Vancouver, increased to $331,883 in the year ended July 31, 1938, from $319,019 in the previous year, greater cost of sales and expenses reduced net profit to $1,163 from $1,804 in 1937.

This company holds exclusive rights to manufacture bathing suits and other woollen garments in Canada under the Jantzen trade name. The Vancouver company is not a subsidiary of the U. S. company, but is controlled in British Columbia.

Dividends on the 7% common stock are in arrears since July 31, 1931. Deficit carried in the balance sheet at July 31, 1938, was reduced to $80,461.

Directors of the company are: S. W. Miller, Lyall Fraser, W. E. Bone, R. H. B. Kerr and T. E. De Wolfe. Mr. Miller is president and Mr. Fraser, vice-president.

Obituaries

S. A. Marvin, one of the founders of the former brokerage firm of Fleming and Marvin in Toronto, died in that city Dec. 8, aged 71. Mr. Marvin latterly had been associated in business with Draper, Dobie & Co. He was born in the Isle of Wight.

A. M. Peters, retired manager of the Bank of Montreal at Sault Ste. Marie, Ont., died Dec. 9 at Montreal as the result of an automobile accident. He was 71 years of age.

James G. Worts, former president of the Don Valley Paper Co., died in Toronto, Dec. 8. He was a native of Toronto and 56 years of age.

Charles Donaldson, chairman of the Donaldson Steamship Line, died suddenly at his home in Scotland Dec. 7, aged 63.

George McIntyre, head of the firm G. McIntyre & Co., monuments, Toronto, died at his home on Dec. 7, aged 80 years. He was born in Bruce County.

Professor C. F. Heebner, dean emeritus of the Ontario College of Pharmacy, died at Toronto Dec. 10 in his 80th year.

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Banking

Tariff Wall for Alberta

Credit House Programme Seen as Move to Bonus Provincial Industry

From Our Own Correspondent

EDMONTON.—A provincial banking system without a new form of money sums up in a few words the current experiment being conducted by the Social Credit Government under what it calls its "interim programme."

"These facilities," said Provincial Treasurer Solon Low to the legislature recently, "will be made available to every part of the province by a network of branches and agencies."

While that may be the aim toward which the Aberhart Government is driving, after nearly two months trial with the first treasury branches in the province, observers are beginning to entertain doubts whether the scheme will go much further than it has already. So far it has not got much beyond the starting point.

Mr. Low's treasury department is now operating nine branches at widely separated points. They are commonly called "credit houses," which does not seem to be an accurate description. "These treasury branches," said Mr. Low, "are not banks and they are not engaged in banking business, which is essentially the business of manufacturing money, monetizing credit and lending."

Offering Bank Services

Yet the credit houses are offering practically all the services normally provided by branch banks, such as deposit facilities, payment of interest on deposits, collections and exchange.

A notable omen of the public reception of the scheme is the absence of any considerable demand among country Social Credit groups for a local branch. There is not much doubt that the Aberhart following in general is cool toward the experiment, and when the recent special session enacted legislation to validate the scheme in the eyes of the law, there was a noticeable lack of enthusiasm among Social Crediters who had to vote for Mr. Low's Treasury Branches Act and take their special indemnities (of some $70) in treasury vouchers.

Two Main Features

The scheme has two main features. First, the public is invited to deposit its money with the treasury, through one of the branches. Current deposits bear no interest, but currency left on deposit for six months and one year will earn 2% and 2½%, respectively.

The customer may withdraw his funds in several ways. He may use a non-negotiable voucher, or simply, transfer voucher. This he may have certified by the branch manager, if he wishes. Or he may write out an "order" on his account, his order being exactly the same as a cheque on a banking account. If he accepts vouchers or orders in the course of business, and deposits them in his account, he is eligible for 2½% if the deposit is left for six months, and 3% for one year or more.

The second feature of the scheme is the consumers' bonus, fixed for the time being at 3%. To earn the bonus, the customer must see to it that one third of the purchases he makes by the use of vouchers go into Alberta-made goods. A space on the voucher is provided to permit the merchant to testify the proportion of Alberta goods bought. For example, if a housewife handles her budget through a treasury branch account, and spends $100 a month, seeing that one third of her goods were made in Alberta, she will receive a credit of $3 added to her account, every month.

Economize on Money

One of the chief objects of the scheme is to encourage customers to transact business through vouchers, rather than with cash. "The use of money," said Mr. Low, "can be greatly economized." But the customer can withdraw cash, if he wishes. He may withdraw any cash he has deposited, without any charge other than the ordinary stamp required on a cheque. But if he wishes to withdraw cash from funds represented in deposits of vouchers, he is subject to a discount of 2%. In general, then any merchant who operates an account and requires cash from time to time will have to pay a 2% discount levied by the treasury.

The treasury branches, it is argued, will provide citizens with deposit facilities divorced from the banking system. To induce patronage, the bonus will be paid. It is a genuine bonus, no phony money this time, subject only to a 2% discount for cash. To qualify for the bonus, the customers will have to buy a proportion of Alberta goods, thus stimulating the demand for home industry. If it works, this will mean a boost for Alberta producers and manufacturers, increased purchasing power and employment at home.

Charge on Treasury

That's one side of the argument. On the other side, it is clear that the scheme is an attempt to pull Alberta up by its bootstraps. The bonus is a charge on the treasury and the effect is that the treasury is subsidizing domestic industry.

And the funds with which it must pay the bonus, in the last analysis, must be collected from the same sources in taxation.

In this aspect of the scheme, it is an attempt to protect provincial industry, just as surely as though Alberta built a tariff wall around itself.

How much the bonus might cost is a matter of speculation, but if the intentions were carried out to extend the scheme to all districts, and it became the vehicle for all business in the province, the treasury would be committed to paying 3% as a bonus on all retail business in Alberta. This might mean about $4,500,000 annually drained from the treasury.

From present indications, the bonus payable is not going to amount to much for some time. That leaves the chief cost of the scheme with expenses of operating what are virtually branch banks.

The treasury will have the use of whatever funds are left on deposit at a comparatively low rate of interest. The scheme provides a use for such reserve funds. Under the contract which a customer must sign, the agreement is set out that the province may use the funds "to make purchases of goods, wares or merchandise for resale." In this connection the scheme anticipates active participation by the Government in the distribution of goods in Alberta on a wholesale scale.

While the public is apathetic, there is nothing in the form of organized opposition to the scheme. The banks have even admitted treasury branch cheques to the Edmonton clearing house. The merchants have let each individual storekeeper decide what he will do. An interesting point is that no merchant has been able to close out his ordinary banking account in favor of a treasury account. If he is co-operating with the scheme, he keeps accounts in both institutions. A few ardent Social Crediters are attempting to conduct all their buying through credit house accounts, but the average citizens finds it inconvenient, and the bonus is not enough to make it worth the trouble.

Divert Government Business

A development expected in the near future is a probable attempt to divert considerable Government business to the credit houses. At the special session, most Social Crediters agreed to take vouchers, and they were paid in "credits" on a form indicating that the treasury was ready to attempt transfers in this way as a substitute for paying in cash or ordinary cheque. This may mean that the civil service will be offered vouchers, in which case it will be subject to a 2% discount on cash.

Since the scheme can have only limited success without recourse to cash at any number of stages, the discount may amount to considerable revenue for the treasury branches in time. This will enable to scheme to keep afloat, but if difficulties arise through heavy overhead, the treasury is authorized to make deductions from the accounts of customers. When and if this stage is reached, it is likely that funds would soon flee from treasury branches back to the branch banks to escape the service charges of the provincial system.

Weekly Bank Clearings

	Dec. 8 1938 $	Change yr. ago %	Dec. 1 1938 $
Halifax	2,940,838	— 1.5	2,348,382
Saint John	1,891,297	—10.0	1,416,895
Moncton	839,237	— 7.9	678,301
Sherbrooke	723,709	+ 6.5	770,618
Quebec	5,945,674	+17.6	4,456,782
Montreal	113,915,633	+ 1.9	114,472,852
Ottawa	27,991,813	—37.4	14,846,653
Peterborough	660,607	+ 4.0	567,412
Toronto	132,415,752	+ 2.8	120,986,333
Hamilton	5,301,853	— 1.1	4,705,508
Kitchener	1,226,865	+18.4	1,132,382
Brantford	1,078,518	+14.2	815,214
London	3,054,738	+13.0	2,274,811
Sarnia	699,713	+16.4	440,289
Chatham	701,807	+ 4.4	939,205
Kingston	701,514	+ 6.2	558,740
Windsor	3,098,150	+ 2.9	2,719,494
Sudbury	857,307	— 6.2	1,137,164
Fort William	808,425	— 8.7	585,298
Winnipeg	38,539,255	+15.7	39,763,109
Brandon	359,283	+ 0.1	302,668
Regina	4,059,429	— 5.5	3,517,031
Moose Jaw	609,113	+ 1.8	465,306
Saskatoon	1,390,474	+ 2.2	......
Prince Albert	328,748	+ 6.4	265,318
Edmonton	4,071,106	+ 0.2	3,881,842
Calgary	6,661,610	+ 4.8	6,075,765
Medicine Hat	249,890	+ 4.7	216,316
Lethbridge	529,141	—15.6	530,930
N. W'minster	641,858	+ 0.2	636,163
Vancouver	18,187,637	+ 7.3	18,430,828
Victoria	1,869,031	+16.3	1,613,738

A. E. Arscott, general manager of the Canadian Bank of Commerce, has been elected a director of the bank.

Bank Chat

Bank Loans

In his address at the annual meeting of the Canadian Bank of Commerce this week, A. E. Arscott, general manager, reviewing the position of the bank, stated that while current loans showed an increase of $14 millions over last year, this to a large extent reflected loans made to assist in moving the wheat crop. Demand for loans for general business, he stated, had not been so active owing to the recession in trade in the first half of the year and the unsettling international conditions during the fall months. The increase in loans to municipalities of $2.5 millions, he stated, was due chiefly to increased advances to municipalities in western provinces to cover the cost of relief and purchase of seed grain, these loans being secured by government guarantees.

He also noted that there was a decrease of $3,585,000 in the notes of the bank in circulation, which is accounted for by the bank using Bank of Canada notes to a greater extent. At the date of the statement, Oct. 31, the bank's notes in circulation were $18 millions, well under the limit of $24 millions, which will be the legal limit on Jan. 1.

• • •

Interest Rates

The very size of the federal debt, direct and indirect, amounting to about $4.4 billions, and the cost of servicing it, are reasons for assuming that monetary ease will be maintained in so far as it is feasible, in the view of G. W. Spinney, joint general manager of the Bank of Montreal, speaking at the annual meeting of that institution in Montreal on Dec. 5. He added that such a statement would be applicable also to the United States and Great Britain.

He noted, however, that at the time of the crisis in Europe the price of gilt-eldge securities in the principal money markets fell sharply, although with the passing of the crisis prices have to some extent recovered. He said further:

"As a safeguard to the shrinkage in values which would ensue should a marked stiffening in interest rates occur, we have consistently adhered to the policy of restricting investments to securities within the short-term orbit. While this has narrowed our earning capacity, any other investment policy would be fraught with risk which we would not care to face."

Staff Changes

The Royal Bank of Canada announces the following staff appointments:

E. B. DURHAM, manager, Windsor, Ont., to be manager, Winnipeg.

R. H. GALE, supervisor's department, Toronto, to be manager, Bay and Temperance Sts., Toronto.

E. D. LUCAS, manager, Kingsville, Ont., to be manager at Burlington, Ont.

H. W. RIEPERT, manager, Burlington, Ont., to be manager at Tillsonburg, Ont.

H. T. ROSS, Jr., manager at Welland, Ont., to be manager at Sarnia, Ont.

H. R. TYNER, manager, Sarnia, Ont., to be manager, Kingston, Ont.

R. G. H. TRAVERS of Kingston, retires on pension.

The Canadian Bank of Commerce announces the following changes:

C. W. BOSSONS, manager at Turtleford, Sask., to be manager at Humboldt, Sask.

D. P. PYKE, manager at Humboldt, Sask., to be manager at North Battleford, Sask., succeeding A. HAMILTON, who is retiring.

O. H. BROUILLETTE, formerly manager at Ste. Anne de la Perade, Que., to be manager at St. Chrysostome, Que., succeeding J. A. PARENT, who is retiring.

O. STONE, formerly manager at Buchanan, Sask., to be manager at Turtleford, Sask.

The Bank of Nova Scotia announces the following staff changes:

W. R. ADAMS, to be manager at Charlottetown, P.E.I.

J. W. NICOLSON, to be manager at Mount Dennis, Ont.

Bank to Construct 15-Story Building

Definite Plans Announced for Downtown Toronto Site

First definite announcement as to the size of the Bank of Montreal's new Toronto headquarters building was embodied in the address of Sir Charles Gordon, president of the bank, at the annual meeting. According to Sir Charles, the bank plans a "15-story building of the most modern design and construction."

This is in line with the expectation reported by The Financial Post in July, when the purchase of the site for the building in downtown Toronto was announced, that the new structure would be 12 to 15 stories high. Since then the building industry has been awaiting revelation of definite plans with considerable interest, as a project of this size should entail expenditure in the neighborhood of $1.5 million or more.

Sir Charles's supplementary announcement said that demolition of old buildings on the site, at the corner of King and Bay Streets in the financial district of Toronto, would be begun "early in the new year." Erection of the new building will commence immediately after demolition is completed, he said.

Bank of Canada Weekly Statement

Note circulation of the Bank of Canada increased approximately $2.3 millions in the week ending Dec. 2 compared with the previous week. The increase is probably a reflection of the greater demand for money owing to the Christmas trade. A reduction in the deposits of the chartered banks of $6.2 millions was likely due to the same influence.

On the other hand deposits by the Dominion Government were up almost by $4 millions.

On the credit side, reserve in sterling and United States currency was approximately $1.6 million higher. Gold reserve was practically unchanged.

Balance Sheet

	Dec. 7 1938 $	Nov. 30 1938 $
Liabilities		
Capital paid up	5,000,000	5,000,000
Notes in circ.	173,022,430	170,723,619
Rest fund	1,348,414	1,348,414
Depos.: Dominion	33,760,841	29,987,534
Banks	208,919,606	215,194,919
Other	2,640,862	1,843,510
Total deposits	245,321,309	247,025,963
All other liabs.	3,521,662	3,410,619
Total liabs.	428,213,815	427,508,615
Assets		
Reserve: Gold	181,370,836	181,033,268
Res. in sterling and U. S.	46,751,964	45,156,871
Other curr.	2,073	2,073
Total reserve	228,124,873	226,192,212
Subsidiary coin	208,949	198,068
Investments:		
Dom. govt. short	154,282,377	154,873,353
Other Dom. govt.	40,291,827	41,017,791
Total invest.	194,574,204	195,893,144
Premises	1,712,704	1,711,858
All other assets	3,593,086	3,513,333
	428,213,815	427,508,615
Reserve ratio	54.53%	54.14%

Secrecy Holds On Plane Order

Sise Reticent in Discussing Contract—Work to Start Next Spring

From Our Own Correspondent

MONTREAL.—Secrecy continues to enshroud the contractual relations between the British Government and the Canadian Associated Aircrafts Ltd. The quantity of planes to be constructed, the value of the order received and the date of delivery were three features of the contract which the British Air Ministry insisted it was not in the public interest to disclose, said Paul F. Sise, president of the Canadian company, on his return from London.

Mr. Sise said that a deadline had been set for the delivery of the machines and he did not anticipate any difficulty in meeting the order for the Air Ministry, work on which will begin next spring.

Set Up London Bureau

To facilitate co-operation between the Handley-Page Co., the British Air Ministry and the Canadian manufacturers, Mr. Sise confirmed the report that he had created a small operating staff in London and they would forward the necessary data and blueprints required for the production of the parts and assembly of the planes, which will be of the mid-wing monoplane type.

Confirmation also was given to the report that Lewis C. Ord, Canadian engineer now serving as consultant on production to the British Air Ministry, had been appointed as general manager of the Associated company and probably would take up his new duties in Canada next February.

The main features of the set-up for Canada remain unchanged. Two assembling plants will be established, one at Malton, near Toronto, and the other at St. Hubert, just outside of Montreal. Work has not yet started on the plants. However, Mr. Sise says there will be plenty of time as the manufacturers have not yet started on the contract.

Thayers, Ltd., to Pay $3.50 on Preference

Thayers Ltd. has declared a dividend of $3.50 a share on its cumulative preference stock, payable Jan. 1, 1939, to shareholders of record Dec. 20, 1938. This is the full amount of the annual dividend and will leave arrears of $1 a share.

The company paid $3.50 a share on Jan. 1, 1938, but only $2.50 a share for the year ended Dec. 31, 1936.

Montreal Stock Trading Easier During November

From Our Own Correspondent

MONTREAL.—Industrial and mining stock turnover on the Montreal Stock Exchange and the Montreal Curb Market during November, showed a sharp decline from October. Industrial volume totalled 691,232 shares, as against 969,744 shares in October, 1938, and 781,057 shares in November last year. Mining turnover totalled 1,726,926 shares as compared with 2,434,874 shares in October, and 2,447,274 shares in November last year.

Total turnover on the two markets during November reached 2,418,160 shares. This compares with 3,404,618 shares the previous month, and 3,228,331 shares in November, 1937.

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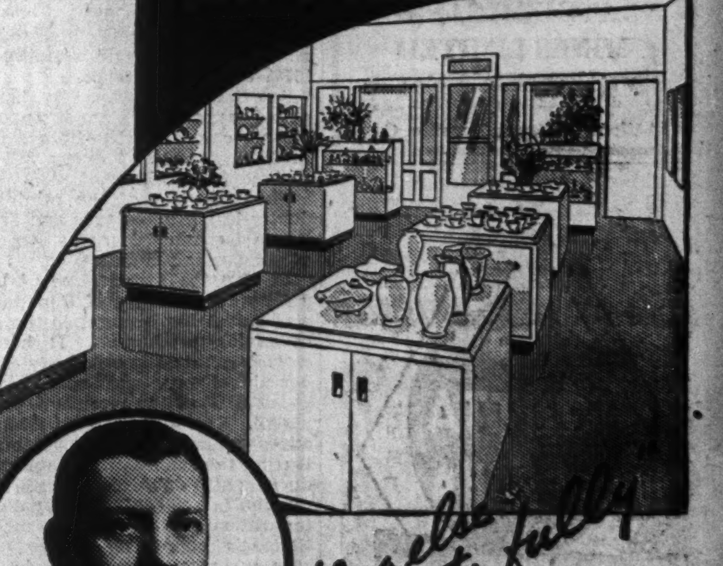

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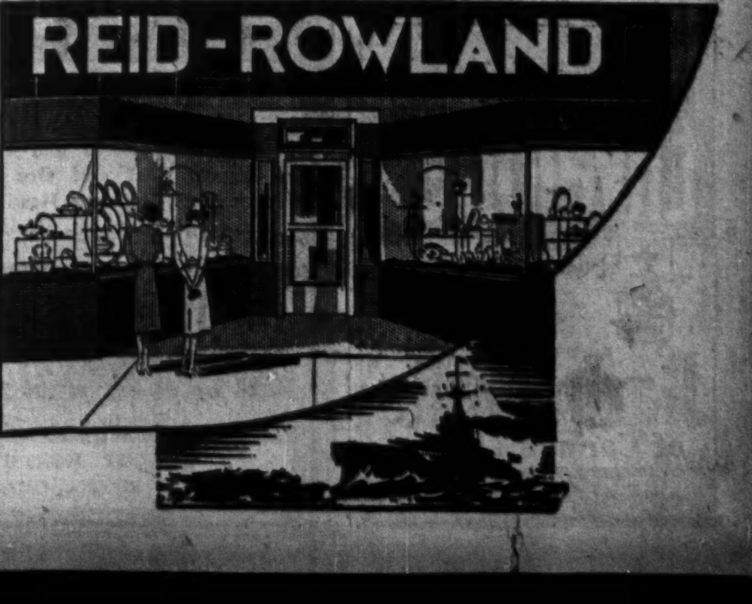

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The Mining Industry

Do Mines Want British Money?

Interest Seen Swinging to Canada as Old Fields of Investment Closing

Does Canada want British capital for the development of her mining resources? Does Canada need it?

Can British investors be convinced of the outstanding investment and speculative opportunities offered in Canadian enterprise?

Canadian financiers who have been visiting London in recent months state emphatically that never before have they encountered so much British interest in Canadian mines. For years, they have been disappointed. Their efforts to attract British capital, to establish British connections for the servicing of British investments, have met with indifferent success.

But in the post-Munich world, Canada's attractions to the British investor are much more evident. In a dozen corners of the world to which the British investor formerly sent his money, there are political and economic and social developments which demand a new evaluation of security and of the outlook for gain.

New Places to Invest

South America, Africa, The East, The Orient: for centuries British investment has moved along these traditional trade routes But events have moved swiftly and the British investor is now thinking about new places to put his wealth.

Here is the conclusion of one of the New York financial weeklies, Barron's. In a recent issue it declared, "There appears to be only one major region belond the borders of his own country in which the American investor can place funds with reasonable security of outlook. That region is Canada. American investments in Canada total about $4,000 millions."

British capital invested in all types of Canadian security has been decreasing regularly in recent years and is now down to around $2,700 millions. Latest available statistics show that only $103 millions of that amount is invested in Canadian mining.

Echoes of Grand Trunk

Here are a few reasons why Canada, the largest dominion in the Empire, has not enjoyed the more whole-hearted trust of the British investor.

For a generation it has been said that Britishers got a raw deal in the Grand Trunk Railway settlement. Canada is blamed. The facts are that Canada offered a just settlement and that it was refused by a group of British financial interests. Furthermore, ever since that time, there have been men making a handsome living out of keeping alive the "raw deal" propaganda.

Another factor which has discouraged British money from coming to Canada, especially for mining, is that there is a large, closely knit brokerage interest in London which now exercises a large measure of control over trading in South African mining shares. If British investors turned to Canadian mines, this London brokerage interest would find its virtual monopoly threatened.

Share-pushers

A third factor which has hurt Canadian mining is the impunity with which some share-pushers have been able to foist worthless mining issues on the British public. The misfortune is as much Canada's as it is Britain's. Canada must not be given all the blame. These share-pushers have been the type Canada puts in jail.

Our security commissioners in most cases would have refused them licenses. For the most part, these men were British citizens or foreign financial thugs. They were able to buy or option large blocks of shares in raw mining prospects and peddle them to the British public at 20 to 30 times the cost price. Only when they made criminally fraudulent representations about their stock did they run foul of the British police.

Perhaps Britain's new anti-share-pushing legislation will be successful in halting operations of this type. If it does, it will be welcomed as much by Canada as by Britain.

Canadian mine-makers who have recently been in Britain report that they find a greatly sharpened interest there in the opportunities offered in this Dominion.

In response to that interest and with an eye to the future of the mining industry, a group of Canada's leading financial men recently suggested that when shares in a really first-class mining prospect are being offered, 25% of those shares should be reserved for distribution in Britain. With good prospects, these men can now dispose of the entire issue in a few hours without leaving their offices. But they feel that building a pipe line for British capital into Canadian mining is desirable both for the long-term future of mining and for the bonds of the British Empire.

Mining News Ignored

Canadian mining news is virtually ignored in British newspapers and financial periodicals. It is clear that well-informed news treatment of mine development here is essential if the British public is to be given the opportunity of sharing in the highly profitable investment opportunities offered in Canada. At least one big Canadian mining company is now considering advertising in British financial newspapers.

Mining enjoys a unique place in the Canadian economy. In no aspect of Canadian life have governments been less inclined to tamper with free enterprise: in none have they been more eager to assist with desirable legislation.

Challenge to Agriculture

Mining is rapidly advancing to challenge the economic leadership of agriculture. In 1937 the total production of Canada's agriculture was worth $653 millions. Mining output was worth $452 millions and for 1938 will be worth probably $10 millions more.

Glance at Canada's mining achievement.

The year 1929 was Canada's last peak-year. But it is the year Canadians still consider normal or "average."

For Canadians there is subtle truth in the story of the negro pullman porter who was asked by an English visitor what his average tip was. He said $1, whereupon the Englishman handed him the dollar. The darkey's eyes opened wide and he exclaimed, "Boss, this is the first time I ever came up to the average."

Measure mining development in Canada by the 1929 yardstick. In 1937 Canada's national income, measured in dollars, was 78% of the national income in 1929.

But in 1937 Canada's income from mining, smelting and refining was 157% of the 1929 total.

Put it another way. By 1929, $1 out of every $25 of Canada's national income came directly from mining. In 1937, $1 out of every $12 was derived from mining.

The influence of the mining industry in giving balance and diversity to Canada's economy has been of outstanding significance.

In 1929 the Frood Mine of International Nickel Co. of Canada Ltd. was just being brought to the stage of major production. It has the world's greatest known body of copper-nickel ore, and now supplies about 85% of the world's supply of nickel. Between 1929 and 1937 Canada's nickel production doubled. During the same period copper production also doubled. Canada's production is not controlled by the International cartel because most of Canada's copper is derived from ores that are primarily or in large part nickel or gold ores. For this reason many of Canada's greatest producers can adjust their output of various metals, depending on the price obtainable for those metals.

Since 1929 the rise in Canada's gold output has been spectacular. The 26 producing gold mines of 1929 have become the 150 odd producing gold mines of today. In 1929 value of Canadian gold production was $40 millions. In 1938, Canada's gold production will be around $160 millions.

It is important that 40% of the increase in cash value is the result of revaluation of gold.

Subsidy

The president of one of Canada's banks suggested in 1932 that the Canadian Government subsidize gold prospecting. Within a year President Roosevelt provided that subsidy through lifting the price of gold from $23 to $35 an ounce. For the past five years most of the newly mined gold from Canada has found its way into the vaults of the United States Government.

The Canadian mining industry has been almost self-financing. The capital for major explorations and for the building of great new mining plants comes in very large measure from the Canadian companies and investors who have made their wealth out of existing mines. Associated with these Canadian groups are some American mining companies and many American financiers.

Only a limited amount of British capital has gone into Canadian mining in recent years. One reason is, of course, the Canadian tradition that the money which is made out of mining goes back into the ground to develop new mines. Another reason is the fact that New York and Chicago are just an overnight journey from Toronto and Montreal. The Canadian mine-maker who needs funds can, if he has a record of honest and successful effort, readily obtain money from across the border, if Canadian investors are tardy.

Need of Technical Advice

The most successful investments made by United Kingdom investors in Canadian mines have been made in association with Canadian engineers and Canadian promotional groups. Canada's gold belt stretching hundreds of miles across northern Saskatchewan, Manitoba, Ontario and Quebec and the gold area of the Yellowknife and the Rocky Mountain area are quite unlike the geology of the South African Rand. Mining methods in Canada are very diferent. British investors will do well to work with and through Canadian technical men in their investments here.

"British capital coming into Canadian mining would certainly speed mine development," declared James Y. Murdoch, president of Noranda Mines, Limited.

"But the only way British capital can come here intelligently is by the British mining companies and British financial interests employing mining engineers either trained in Canada or with a long experience of mining in this country.

Mr. Murdoch, who has just returned from a visit of several months to Great Britain, stated that he saw a rapidly increasing British interest in Canadian mines.

Asked how British capital could be induced to come to Canada, he said, "The best way would be for successful Canadian mining companies to do more advertising in British newspapers and financial journals. That would mean that Canadian mining companies would be mentioned more often in British periodicals and people over there would get the right idea about what Canadian mines are doing."

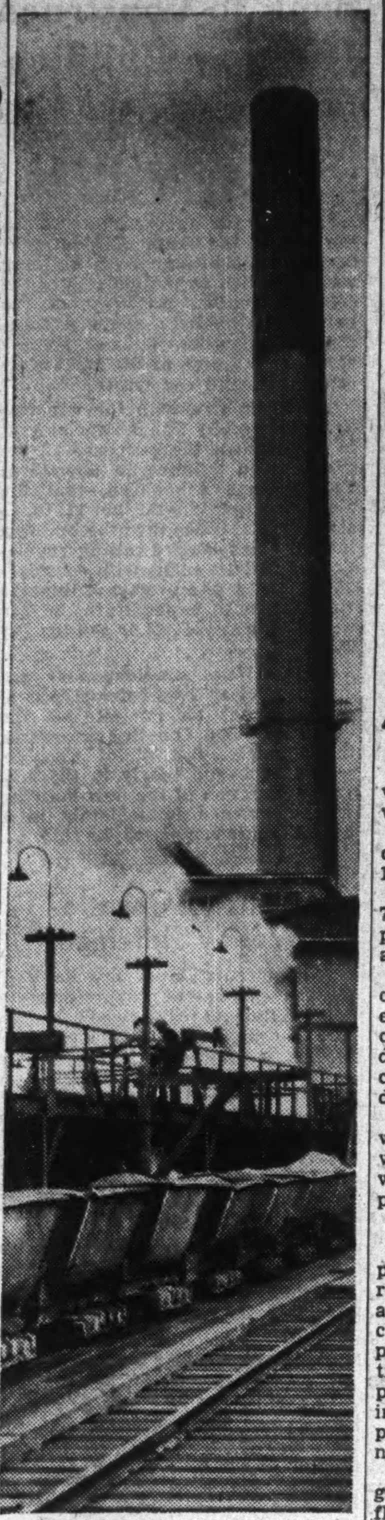
No Special Encouragement

R. A. Bryce, president of Macassa Mines, felt that no special encouragement to bring British money to Canada was necessary. He pointed out that British capital is now eagerly seeking security outside the European zone, hence much of it will come to Canada in any case. Mr. Bryce hoped Britishers, for their own sake, would get into the right type of mining investment. Lacking the long experience of the investing Canadian public with mine prospects, he feared that unless they had experienced advisors, their early ventures might not be very profitable.

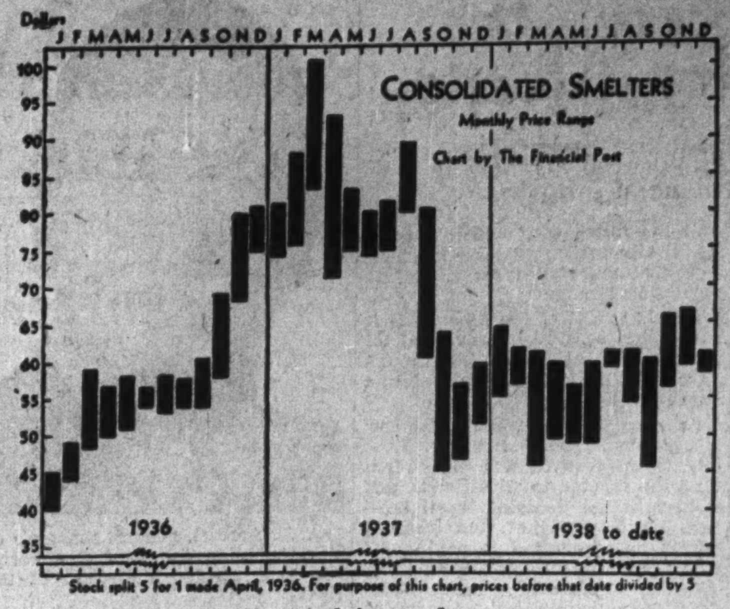
J. H. C. Waite, head of Mining Corporation of Canada Ltd., another frequent visitor to Britain, said he would be glad to see British capital in Canadian mining "not because we need it, but it would be good for the Empire, sort of keep it in the family." He emphasized that there are many mining companies with big surpluses built up which are only too anxious to invest in any good-looking prospect.

Giving special inducements to British capital was "the very last thing we ought to do," Mr. Waite thought. "If the British want to get into mining here, they ought to form a really strong exploration company and build up an organization in this country. They should employ Canadian engineers to start and then train up their own men after that if they want to. One thing they must do is to give their executives in Canada power to make decisions. In this game there isn't time to send reports and discuss deals across the water. Mining companies here would certainly co-operate, give them every help and split bets with them."

Firestone Petroleums produced 32,036 barrels of crude worth $40,274 in the three months ended Oct. 31. After allowance for gross royalty, net receipts were $30,285, to which was added $997 for sale of tank. Total expenses were $4,690, with additional prepaid expense allowance $595. After provision of $7,247 for accrued and contingent expenses, $18,750 remained which was distributed to shareholders on the basis of 1½ cents per share.



Fertilizers from smoke—a Smelter's by-product.



Smelters stock is a good mover.

A Cent Means $4 Millions

(Continued from page 11)

work showed possibilities but no work done since 1930.

Skagit River Placers, B.C. gave indifferent results on early work in 1937. Resumption indicated.

Tri-Connell Group, B.C. Located 7,500 feet above sea-level. Hope to pick up veins at lower, more workable level.

Timothy Mountain-molybdenum claims. Work completed in 1936 failed to reveal any definite tonnage of commercial grade, but widths indicated further possibilities. Officials state active development would depend on demand for the metal.

Those properties are ones on which some work has been done with widely varying success, but on which, to date, Smelters official reports would appear inconclusive.

Disappointing Claims

Then there is another group of properties, the ones on which reports seem to be fairly conclusive as to their worth or what Smelters considers their worth. Some of these properties, of course, may sometime make mines. In some cases, perhaps, Smelters has discovered interesting ore which it cannot process at the present time, hence is not proclaiming.

In this list is Consolidated Chibougamau Goldfields, the property that flared into the headlines a year ago when Smelters indicated it would withdraw. Here 2¼ miles of underground workings were developed. Coast Copper Co., a separate company controlled by Smelters, has almost five miles of underground development work done but latest reports gave disappointing results and no work has been done since 1932. These are outstanding cases. There is the long list of properties where work Smelters did was not sufficiently encouraging to continue. Our count is 32 groups of claims that were disappointing.

Smelters exploration results have hardly been gratifying.

Other companies in which Smelters is interested include: Wisik Gold Mines, Rose Gold, Ritoria Gold and Kiena Gold, all prospects, Amalgamated Metals, a European selling organization, St. Lawrence Zinc Refinery, Union Steamship Co., A. Cameron & Co., a Japan and China sales agency, International Coal and Coke Co. and McGillivray Creek Coal Mining Co.

Solar Development Co. Ltd. controlled by Smelters, is an exploration company, operates airplanes and owns a mine in Idaho. After some work, further development of the mine was abandoned.

Position of Stock

Smelters stock has long been popular with investors and large blocks of it are known to be in the portfolios of some investment trusts.

What is the current position of Smelter stock around its present level of $59?

In metallurgy and position in the industry, Smelters status is, of course, unquestioned.

As for cashing in on the reputed $26 millions of exploration and development work it has done, opinions differ widely and perhaps time alone will give the answer. Some of its outside properties appear to offer some positive return. Other new properties look like good prospects. Whether Smelters has lined up anything that will return the whole outlay and leave a profit has yet to be shown. Of course, one or two really good strikes would make that $26 millions melt away.

Smelters is still on the hunt for new properties. But for the owner of Smelters stock, there is this to consider: despite science and skill, luck is a big factor in mine finding and Smelters has had a very long run of bad or indifferent luck. The gambler would be now saying the luck would change.

Importance of an executive change made recently cannot yet be judged. For many years, W. M. Archibald has been vice-president in charge of mines. A few months ago, the company announced that Dr. Blaylock, who had been vice-president in charge of plants, was to become vice-president and general manager in charge of all operations, both in the plants and in the field. In other words, mine-finding activities are now Dr. Blaylock's responsibility.

This year, because of lower base metal prices, the stock bonus was lower, $2.50 instead of $3.50.

Metal Prices

Smelters is understood to be in the world lead cartel which exercises a considerable measure of control over the lead price. If the expected economic expansion does not materialize, the lead price is guarded against excessive swings. On the other hand, the important thing for a lead producer is volume of demand. During the Great War, lead soared to 8.79 cents per pound. In 1925 it went even higher, to nine cents. From then it dipped back to nearly three cents in the low of the depression and is now back around five and six cents.

Zinc, used mainly in the galvanizing industry, for brass and castings, paint pigments, radio and flashlight batteries and for making zinc oxides, was up to more than 13 cents per pound during the Great War, was down to 2.88 cents in the depression low and is now around six cents.

As already indicated, Smelters earnings and the price of its stock follows closely the world price for lead and zinc. What is the outlook for these metals?

As for all base metals, the outlook still seems good. If the Canadian-American economy is approaching expansion—as most observers sincerely believe it is—that expansion must inevitably be of a type which will be of special importance to base metals.

Housing, railroad reconstruction, rural electrification, duplication and amplification of present electric power systems, general plant reconstruction and replacement—all those are definitely on the books for the first period of economic expansion that comes. Most of these developments are long overdue.

Meanwhile, the nations of Europe and America are arming. While peaceful prosperity is in the long run more profitable for base metal producers, the additional demand engendered by gigantic armament programmes points to profits.

There is hardly another company in Canada which would so promptly and so sharply benefit from increased base metal prices.

Mining Enquiries

Brownlee

Has Brownlee any plans for further work?

Brownlee Mines has completed a considerable amount of diamond drilling on its property but as yet has failed to locate commercial ore bodies. A copper-bearing zone has been located in which concentrations of commercial ore may occur at depth. The company's consulting engineer has advised an additional 2,000 feet of drilling to test this occurrence. It is believed additional financing will have to be done to carry out this work.

Northern Metals, Buckeye, Kenabeck

Please supply me with information on the following companies, Northern Metals, Buckeye Mines, Kenabeck.

Northern Metals Ltd. sold its property to Baghdad Gold Mines for 800,000 shares of that company. Baghdad is now carrying on a programme of exploration.

Buckeye Mines owns a silver-lead-zinc prospect, 67 acres, West Kootenay district, British Columbia. It is at present dormant. The address is care of W. E. Daglish, 129-17th Avenue, Paterson, New Jersey.

Kenabeck Consolidated Silver Mines was succeeded by Triangle Silver Mines which was in turn absorbed by Silver Sill Mining Co. Ltd. about 1923. The last company holds an inactive silver prospect of 320 acres in Auld Township, near Elk Lake, Ontario. The address is care of Dr. R. A. Newton, Massena, New York.

Mining Corporation

Please outline for me the current position of Mining Corporation?

Mining Corporation of Canada, as you probably know, operates as an exploration, development and holding company. It maintains prospecting parties in the various mining fields in Canada and forms subsidiary companies to take over properties which have responded to development. The most important shareholdings of the company are: 81,287 shares of Hudson Bay Mining and Smelting Co.; 799,500 shares of Base Metals Mining Corporation; 2,654,165 shares of Normetal Mining Corporation; and the largest interest in the Territories Exploration Co. Other companies in which shares are held: Laguna Gold Mines, Camlaren Mines and Kerr-Addison Gold Mines.

Profits have been low in recent years with net earnings amounting to seven cents per share for the year ended Dec. 31, 1937, compared with 13.7 cents. The company's current position was not strong as at Dec. 31, 1937, when an excess of current liabilities over current assets amounting to $99,367 was reported. This shortage in working capital, of course, could be easily remedied by selling some of the company's holdings in Hudson Bay Mining and Smelting Co.

At the present time, the company is developing a promising new gold discovery known as the Jerome property in the Opeepeesway area of Ontario.

B. C. Mining In High Gear

From Our Own Correspondent

VANCOUVER. — British Columbia's mining industry is closing the year in high gear, with prospects for 1940 extremely favorable.

Developments in the gold camps during the past month have been unusually encouraging. Bralorne, Island Mountain and Cariboo Gold Quartz, to mention only three of the biggest operators, rolled up production records for November representing their all-time peak, and Privateer, the spectacular Zeballos mine, announced its first month's production as worth $117,912, making it on the strength of that showing one of the four or five leading gold producers in the province.

During the past year nine new gold mills have been brought into operation — Big Missouri, Polaris Taku, Gold Belt, Privateer, Gold Field, Rey Oro, Durango, Cariboo Hudson and Quesnelle Quartz. This is probably another record for British Columbia, and today there are more than 60 gold mills grinding ore in the province.

Much depends on the course of base metal prices during the coming year, for much of B.C.'s mining prosperity depends on the lead and zinc from Consolidated Mining & Smelting Company's properties. Decline in base metal prices this year will alone be responsible for an estimated drop in the year's mining total from $74,000,000 to $64,000,000.

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The Week in Mining

Major Capital Influx For Canada Foreseen

Refugee Money Certain Not to Ignore Mine Stock Advantages — New Situation Creates Possibility of Gold Revaluation—Upward, of Course

Apart from the charts and indices and all the rest of it, several things are happening which are giving a broad hint that mining and the mining market may not have to wait very long for an influx of important new money.

One of Canada's best-known mining men recently came upon a very striking case. The representative of a European financial house was in America with $100 millions in his money belt looking for a safe place to put it.

Said the man with the money: He didn't want to buy bonds, or mortgages or "any of that kind of nonsense." Equities were the thing he was after. Hence, he was lining up a long list of common stocks for a goodly part of his pile. Other millions were going into real estate. He was buying great big buildings, paying off the mortgage first thing and hoping to make perhaps 5% or better out of operating the properties. Incidentally, the insurance companies which held a couple of these big mortgages are now climbing trees hunting for a place to put their money.

Significant, too, is the fact that recent weeks have seen three or four representatives of British financial houses in Canada's financial centres. Britain now sees very clearly that it is a part of Europe and in for a very nasty time if and when the shooting starts.

* * *

Within—Without

Canada's mines are the sort of security that offers safety from enemies without and enjoys deep governmental respect from within. Never in the 26 centuries in which we know something about the history of gold has it gone down in price for more than a short span of years. Economists are agreed that in the modern world, governments would not dare contemplate what lowering the gold price would do to them and to their states. Most economists are agreed that some situation in which officialdom seeks its way out through raising the price of gold is not unlikely.

* * *

The Pound Problem

In this connection the decline of the pound sterling and the place it puts the United States is important. Britain wants a pound cheaper than $5 or even $4.86. Now they have it and the fact is not pleasant for the United States. About the easiest way out of that disadvantageous spot would be for the United States again to hoist the gold price.

With gold and base metal stocks there is none of the danger ever present with most industrial issues: that somebody will invent a better mouse-trap than yours.

These are some thoughts refugee money is sure to have one of these days. That there is a lot of refugee money here already and a lot coming, and more threatening to come, is a fact almost embarrassing to bankers. Once this money gets rid of some of its fears and gets acclimatized, much of it will certainly seek a more profitable occupation than sitting in a bank.

* * *

Copper

Following the Munich conference, when the world was suddenly and unexpectedly confronted with what purported to be an outbreak of peace, this writer, along with financial observers everywhere, whooped about the bright future which lay ahead for base metals.

Events of recent weeks and months have hardly fulfilled those early hopes. One of the paean raisers has just written a revised judgment in the New York Analyst, wherein he qualifies the early enthusiasm.

* * *

The copper outlook, he says, is now problematical. There came a sharp upturn in copper consumption during June and July of the past summer, but it was "disappointingly small." Stocks of refined copper are in the wrong place and "as long as this unbalance between stocks and deliveries continues and with low deliveries and large stocks in the United States, there will be an opportunity for London speculators to jump the copper price." The American Metal Market, a periodical, stated, "Were it not for gigantic demands from Europe and the Far East for armament purposes the copper industry would still be in a poor way."

* * *

Re-elected

Manitoba Chamber of Mines elected its new executive at its annual meeting recently. Re-elected to the presidency is J. D. McDonald. Also re-elected were F. V. Seibert, vice-president; F. J. Manning, honorary treasurer; and secretary, J. P. deWet. Elected directors were: J. W. Bringhurst, P. Davoud, H. R. Drummond-Hay, J, Drybrough, R. England, H. V. Hudson, K.C., G. M. Hutt, H. A. Mackay, J. Mohr, J. S. Morrey, V. H. Patriarche and W. A. Weir.

Honorary officers reappointed were: president, Hon. J. S. McDiarmid, Minister of Mines and Natural Resources; vice-presidents, John Queen, M.L.A., mayor of Winnipeg, and R. E. Phelan.

* * *

Logan on Mines

"Mining has led the way in the transformation of Canadian economy," S. H. Logan, president of the Canadian Bank of Commerce, told shareholders at the annual meeting this week. "In the last decade, the production of our mines had an aggregate value of $2,900 millions, an amount not far short of the present net direct debt of the Dominion Government."

Mr. Logan pointed out that, in addition to the widespread benefits to a score of Canadian industries and to thousands of Canadians that "partly as a result of metal mining expansion, we have nearly twice as many units manufacturing electrical apparatus and copper and brass products as we had 10 years ago."

* * *

"Before the next year is out," Mr. Logan continued, "we shall see an important link between mining and another important industry. I refer to the preparations now under way to mine iron ore for the steel plant at Sault Ste. Marie. This important project will be a further step in the development of the domestic iron and steel industry which, it is interesting to note, has already 10 more plants in operation than in 1928, while an increased variety in its products has obviated the need for certain importations."

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United Oils Has $2,837 Profit

A net profit of $2,837 is reported by United Oils for the year ended Mar. 31, 1938, reducing deficiency account to $817. This compared with a loss of $1,275 the previous year. This is revealed in the annual report—really the 1937 report—which has only now been prepared by this company.

Revenue received totalled $22,429 and included $13,038 from B. & B. Royalties, $4,212 from Westside Royalties, $989 from Associated Oil & Gas Co. royalties, $2,025 dividends from Imperial Oil, $1,250 dividends from International Petroleum and $275 from Dominion Tar & Chemical Co. Expenses included $6,652 head office expense and $4,628 for depletion.

A 51% interest is held in United-Brown well to which $57,000 has been contributed according to the balance sheet. An additional $7,000 and 150,000 shares at 25 cents must be issued to complete payment for this royalty.

Balance sheet as at Mar. 31, 1938, shows cash of $447, accounts receivable of $3,074 and investments carried at $274,342.

Siscoe's Ore Reserves Up

But Average Grade Down—Maintain November's Production Rate

New ore is still being opened up at Siscoe Gold Mines and pending developments it is expected immediate future monthly production will stabilize around the November level, according to official notice sent out over the signature of J. G. Lynch, president. Financial position is the strongest in the company's history, it is noted.

A preliminary estimate of ore reserves has been made for the information of shareholders in advance of the annual report. It is estimated the year end will find positive ore reserves up to approximately 550,000 tons, with a profitable grade around $9 per ton. While the latter figure may be disappointing, Mr. Lynch states, it assures the continued operation of the mine as a profitable enterprise for some years to come. At the end of 1937, reserves were 526,448 tons averaging $11.23 per ton.

Average Grade

The average grade of ore being treated now conforms more closely with the average of ore reserves than at any time in the last few years. Average recovery in November of $9.55 per ton is not far from the expected average grade of ore reserves, of about $9 per ton, for the end of 1938.

The main shaft has been continued from 1,850 to 2,500 ft. depth during the year and five new levels as yet unexplored will be under development in the near future.

The "K" zone shear is considered to be the controlling structural feature of the property. It has been established that this zone extends at least as deep as the shaft and probably much deeper. In sinking, some good ore was passed through just below the 2,000-ft. level, indicating ore in the "K" zone persists at least to that depth.

Bulk of veins in the Siscoe mine fill fractures which are related in origin to the "K" shear and it is believed reasonable to infer these will persist to as great depths as the shear itself.

Production Reports

CARIBOO GOLD QUARTZ

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	8,949	298	$17.17	*$152,950
Oct.	9,329	301	11.88	110,915

*Including $17,360 from clean up of ball mill.

GURNEY GOLD

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	4,110	137	$11.01	$45,279
Oct.	4,285	138	11.34	48,611

GOLDEN GATE

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	1,558	52	$16.08	$25,054
Oct.	1,733	56	14.71	25,496

ISLAND MOUNTAIN

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	3,798	127	$14.77	$56,119
Oct.	3,948	127	14.15	55,874

KOOTENAY BELLE

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	3,988	133	$15.29	$61,000
Oct.	4,090	132	15.48	63,340

LEITCH GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	2,759	92	$22.83	$63,000
Oct.	2,797	90	21.53	60,216

LAGUNA GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	2,698	90	$17.77	$47,952
Oct.	2,743	88	17.11	46,928

PRIVATEER MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	2,289	76	$51.51	$117,912
Oct.*	2,744	67	35.14	96,426

*From commencement of milling operations on Sept. 21.

PIONEER GOLD MINES

1938:	Gross production	Operat. profit*
November	$165,000	$98,000
October	160,000	93,000

*Before depreciation, depletion & taxes.

PERRON GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	10,461	349	$9.79	$102,542
Oct.	10,851	350	9.81	106,486

SAND RIVER

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	3,123	104	$12.86	$40,173
Oct.	3,242	105	12.45	40,355

SHEEP CREEK

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	4,452	148	$18.32	$81,575
Oct.	4,588	148	16.75	76,845

STURGEON RIVER

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	2,238	75	$15.95	$35,700
Oct.	2,380	75	14.12	33,625

SILBAK-PREMIER

1938:	Tons milled	Tons daily	Recov. per ton	Smelter returns
Nov.	14,429	481	$9.55	$137,828
Oct.	14,188	458	10.15	143,967

TOBURN

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Oct.	4,530	146	$19.23	$87,087
Sept.	4,390	146	20.15	88,461

WENDIGO GOLD MINES

1938:	Tons milled	Tons daily	Recov. per ton	Total recov.
Nov.	2,596	87	$13.70	$35,600
Oct.	2,920	94	13.43	39,230

Mining Dividends

	Rate	Dec. 12	%
Anglo-Huronian	10c	3.15	3.1
Beattie Gold	15c	1.34	11.2
Bralorne	80c+10c	10.50	*8.6
Buffalo Ankerite	$1	15.00	6.7
Bulolo Gold	$3	25.00	12
Can. Malartic	9c	.90	10
Cariboo Gold	10c+6c	2.35	*6.7
Central Patricia	16c+2c	2.52	*7.1
Coniagas	25c	1.80	..
Ciniaurum	15c	1.45	..
Cons. Smelters	$1+$1.50	59.75	*4.2
Dome Mines	$2	32.50	6.2
Falconbridge	30c	5.60	5.3
Goldale	†2c	.21	..
Gunnar Gold	6c	.58	10.3
Hedley Mascot	12c+4c	1.35	*11.8
Hollinger	65c+45c	15.00	*7.3
Howey Gold	4c	.28	..
Hudson Bay	$1.50	32.25	4.6
Inter. Mining	50c	8.75	5.7
Int. Nickel com.	$2	54.00	3.7
Island Mountain	10c	1.30	7.7
Jack Waite	†1½c	.23½	..
Kerr Lake	5c	.45	..
Kirkland Lake	8c+2c	1.28	*7.8
Kootenay Belle	16c+2c	1.53	*11.7
Laguna	†5c	.07	..
Lake Shore	$4	50.12	8
Lamaque Gold	10c	7.30	..
Lava Cap M.	11c	.80	13.7
Leitch	†2c	.70	..
Little Long Lac	30c	2.70	11.1
Macassa	20c+5c	5.40	*4.6
McGillvray Creek	3c	.21½	..
McKenzie Red Lake	12c	1.20	10
Moneta	†3c	1.30	2.3
McIntyre Porc.	$2	50.50	3.9
Noranda	$4	78.75	5.1
Nipissing	15c	1.70	..
North Empire	80c	8.75	9.2
Oro Plata	†4c	.45	8.9
Pamour Porc.	‡12c	4.30	2.7
Paymaster	1c	.46	..
Perron Gold	16c+1c	1.52	*11.1
Pioneer, B.C.	40c	2.65	15
Pickle Crow	40c	5.10	7.8
Placer Develop.	$1.20	13.50	8.9
Premier	12c	2.28	5.3
Quebec Gold	†2c	.60	..
Reno	6c	.23½	..
San Antonio	14c	1.22	11.4
Sheep Creek	12c+2c	.96	*14.5
Silbak Prem.	8c	1.75	4.6
Siscoe	19c+1c	1.31	*15.2
Sudbury Basin	10c	2.60	3.8
Sullivan Cons.	5c	.85	5.9
Sylvanite Gold	20c+5c	3.35	*7.5
Teck-Hughes	40c+5c	4.50	*10
Toburn	8c+6c	2.00	*7
Ventures	37½c	5.10	7.3
Wright-Harg.	40c+30c	8.05	*8.7

*Yield includes bonus. ‡Interim. †Initial.

The Week in Oils

Success at Home Gives Oil Market Big Boost

Many Issues Undervalued in Recent Months—Several Companies' Acreage Benefits—Estimate $5 Millions Paid in Dividends and Royalties in 1938

From Our Own Correspondent

CALGARY.—Are the better oil stocks off to new highs? Market analysts are generally agreed that oil stocks have been selling for many months far under their value. In some cases under the value of their liquid assets; for instance, Home Oil has liquid assets of over $1.25 per share, consisting of Dominion of Canada bonds and listed stocks. It has valuable fixed assets including drilling equipment and 40,000 acres of potential oil lands. Yet until last week this stock has been selling around $1.10 per share.

Test of upper lime formation at Home 2 indicates this well is likely to be the largest well in Turner Valley. The management has declined to release any production figures as they state the well is still clearing itself. Unofficial but reliable sources state the well for short periods flowed at the rate of 8,500 bbls. per day.

Home's 2 well has, generally speaking, proved its 10,000-acre holdings in north Turner Valley. Oil men say this 10,000 acres is now worth $500 an acre. They point out that Royalite Oil, less than a year ago, paid $1,000 an acre for acreage in the south end of the field. If this valuation is correct, it gives Home a new asset of $5,000,000 overnight.

In addition the Home company also controls 63,000 acres on the Brazeau structure.

* * *

Who Else Benefits?

It is difficult to know who owns all the acreage on this new north end of Turner Valley. Dealers in oil leases say the Government has not as yet issued a map defining this extension. According to an address delivered by Dr. G. S. Hume recently, the structure runs northwest, and a line drawn from the southwest corner in Sec. 26, Twp 20, Rge. 3, to Whiskey Creek at about the north centre of Sec. 1, Twp. 22, Rge. 4, would give the eastern boundary of this north extension. Dr. Hume stated that he had not traced the structure beyond this point but that it was quite possible that it continued for many miles. If such is the case, several companies would benefit greatly, as substantial blocks of acreage are held in that area.

Home Oil controls practically all the acreage north of the well for a mile and a half wide and 6½ miles long, along the line indicated above. Home also owns considerable acreage south of their No. 2 well location in Sec. 33, Twp. 20.

* * *

Royalite Gains

Perhaps the next greatest individual beneficiary as a result of the Home test is Royalite which owns substantial acreage south and east. Phillips Pete and Phillips Royalties own very substantial blocks of acreage on the southwest flank of the structure close to the Home No. 2 well.

In the northern part of the field, north of the Home acreage, Brown interests owns 320 acres. Roxanna Petroleums and Dallas interests jointly are reported to own around 2,000 acres. Davies Pete owns approximately 1,700 acres.

A few miles north of the Davies acreage is the Sarcee Reserve, on which the Highwood Sarcee Company controls 20,000 acres. Highwood also owns small parcels of land, in some cases on the structure and in others perhaps only on the edge.

Calmont Oils has acreage joining the section on which Home 2 is located and various substantial blocks farther south.

* * *

31-46 Years

Newest estimate of Turner Valley oil reserves comes from a visitor here, Dr. B. B. Boatright, petroleum expert from Texas. He estimates Turner Valley's present oil reserves, from the 5,000 acres considered proved oil acreage, would permit the field to produce 15,000 bbls. of oil per day for 31 years and if 5,000 acres more were proved up it would produce at this rate for 46 years.

* * *

Wider Markets?

How about markets for oil? Ask Chairman Knode of the Conservation Board. Ask any experienced oil man. All point to what history has proved, that regardless of where oil is found, once you get sufficient reserves you get pipe lines and transportation facilities.

Certainly Calgary citizens are again becoming oil-minded. Wednesday the news broke that Home No. 2 had oil. By Saturday the brokerage offices were crowded.

"This time certainly we have a real oil field," people said. "In area it is next to the great East Texas field. We may not have the same amount of oil in place per acre as some U. S. fields, and again we may have much more oil than we think we have. Only time will tell."

* * *

To Drill Five Wildcats

The Gray Byrne Company announces formation of Petroleum Investments Ltd. Authorized capital is 100 shares, no par. Anglo Canadian Oil Company will own 55 shares and the remaining 45 shares are being offered to the public at $4,500 per share.

President is F. P. Byrne, and he and associates are reported to have subscribed for the greater part of the 45 shares. The company is taking over five structures from the Anglo Canadian Company and the money subscribed will be used to develop these structures, having total acreage of 52,800. Structures are: Steveville, 110 miles east of Calgary, to which equipment is presently being moved. The royalties payable are minimum 13%, maximum 13½%. Bridge Dome Structure near Milk River. It is estimated depth here will be about 2,500 ft. Royalties payable are 12½%. Castle River Structure near Pincher Creek, 110 miles south of Calgary. No. 1 well was spudded in Nov. 8 and is presently drilling at 2,074 ft. Royalties payable are 10%. Savannah Creek, about 25 miles southwest of Turner Valley. The No. 1 well is a diamond drill test. Royalties payable are 13%. Twin Dome structure is about 25 miles southeast of Calgary. Royalties payable are minimum 12½%, maximum 15%.

* * *

Try Repressuring

It is unofficially reported that Royalite is installing a small repressuring plant. When completed, the plant will be turned over to the Conservation Board for testing, and if found satisfactory the Board probably will install a plant sufficiently large to pump all gas back into the formation.

* * *

Commission Resumes

The Royal Commission investigating gasoline prices in Alberta resumed on Monday, Dec. 12. First problem tackled was pipeline charges. The Royalite Co. which owns lines, is understood to justify its 15 cents a barrel rate on the argument that the field may have a short life. The Government says the enquiry is merely to find out if gasoline prices to Alberta consumers are reasonable. Crude operators point out that they receive approximately four cents per gallon for their crude oil, which has a recoverable gasoline content of 80%. One operator states that filling stations owned by refining companies are allowed approximately four cents per gallon or as much as is paid the operators for their crude. This, the operator claims, is not fair as he is obliged to spend approximately $200,000 and takes the risk of a dry hole. This is just one of the many things that will be investigated by the Commission. Generally speaking, oil operators are in favor of the investigation.

* * *

Dividends

According to a statement released by the Calgary Stock Exchange, dividends paid or payable during 1938 by Turner Valley companies will be $2,153,773. In addition to this amount, the Exchange estimates that approximately the same amount has been paid in royalties to the Government and to royalty holders.

Goldale Mines has declared an interm dividend of two cents per share payable Jan. 26, 1939, to shareholders of record Jan. 14.

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Study Angles, Turner Market

Vancouver Route Is Seen as Cheaper Than to Head of Lakes

From Our Own Correspondent

VANCOUVER.—Export of Alberta's oil should be westward through the port of Vancouver either by rail or pipe lines and not eastward by the costlier route, according to the survey completed by the Vancouver Board of Trade which analyzed many aspects of Turner Valley's marketing situation.

The survey contends that unless railroad rates to the coast are reduced it would not be profitable to bring Alberta oil to the coast, as it would have to meet the competition of oil brought from California by tank ship. The easy gradient to the sea westward is seen as an important advantage of the Pacific outlet for oil, just as it has been for wheat from the western prairies.

It is the opinion of the committee which prepared the report that the Alberta oil fields must have access to world as well as domestic markets at the lowest possible cost consistent with sound transportation costs, and that Japan and various other countries bordering on the Pacific are logical markets.

Comparing probable pipe line costs to Vancouver and to Toronto, a barrel of crude oil could be delivered in Vancouver for an estimated cost of 45 cents as against 75 cents by pipe line to Port Arthur, and tanker to Toronto, the survey claims. On this basis the all-inclusive pipe line cost of Alberta oil in Vancouver would be $1.85 a barrel as against $2.15 in Toronto.

If transported by rail from the field and given a rate equivalent to the present special rate of 20 cents per 100 pounds on wheat, crude oil from Turner Valley would be landed in Vancouver for 56 cents a barrel or a cost of about $1.76 per barrel, plus a charge for collection at a central railway point.

At seaboard in California the value of comparable grades of oil is about $1.17 and cost of transporting to Vancouver is from 15 to 20 cents a barrel, or an all-inclusive cost of $1.86 to $1.91 a barrel. On this basis there would seem to be reason to expect that Alberta oil, delivered in Vancouver by pipe line or by railway on a special rate basis, would be in competitive position.

Macassa Net Runs Higher

Third Quarter Profit is 6.5c, Up From 5.4c Previous Quarter

Estimated net profit of $175,804 equal to 6.5 cents per share is reported by Macassa Mines for the three months ended Sept. 30, 1938. This compares with 5.4 cents per share the previous three months bringing earnings for the first nine months of the year to 17.6 cents per share compared with 16.5 cents for the same period of 1937.

Gross production for the first nine months was $1,209,661 from 74,471 tons of ore treated, an average recovery of $16.24 per ton. Operating costs, including reserve for taxes, amounted to $7.96 per ton. Depreciation on plant and equipment and preliminary exploration written off was equal to $2.10 per ton bringing total costs to $10.06 per ton.

YAMA DOWN 17 FT.

Sinking of the three-compartment shaft at Yama Gold Mines has reached a depth of 17 ft. on its way to an objective of 570 ft., officials inform The Financial Post. Plans call for the use of Diesel power until negotiations are completed for hydro-electric power and the necessary 10-mile power line to the property constructed. Government road to the property has been placed in shape for the taking in of heavy equipment during the winter.

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New Golden Rose Results Improved

Higher Grade Ore Shown in Work Below 2nd and 3rd Levels

From Our Own Correspondent

SUDBURY.—Ore of better than average grade is being obtained in development at New Golden Rose Mines, in Afton township, northeast of Sudbury. Betterment in grade has been reflected in the last two monthly production reports, and while no official comment has been made, it is understood excellent results are continuing in development of the vein below the second and third levels, where higher grade ore has been met.

Production for October was $52,000, and it is believed that with average grade as good or possibly slightly higher, November may show increased output.

Of course, underground development has not been advanced sufficiently to ensure maintenance of the higher grade, which has been running better than $17, and the management conservatively is prepared for a variation from month to month.

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Concentrates — Canada's Mines This Week

Adanac Quebec Mines expects to commence diamond drilling after beginning of year. Drilling will be done on two showings opened up in the northern section of the property.

* * *

Amm Gold Mines states that by agreement dated December 6, J. T. Cannon, Jr., underwrote 25,000 shares at 13 cents per share, less one-half cent commission, netting the treasury 12½ cents per share, and took an option on an additional 20,000 shares at 13½ cents a share net for 30 days.

* * *

Beanland Mining Co. is stated to have outlined sufficient ore on the first level to run 75-ton mill for a year, according to Douglas M. Briden, mine manager. A vein has been opened for length of 500 ft. on this level with an indicated 10,792 tons of ore averaging $3.05 per ton. Financing deal is stated to have been completed to provide company with $225,000 if fully exercised. Authorized capital is 2.5 million shares with 1,534,608 shares issued.

* * *

Baghdad-Larder is carrying on geological survey and preparations are now being made to resume underground development. Company is financed for its present programme.

* * *

Clear Lake Gold Mines optioned one million shares to Brett-Trethewey Mines on Nov. 22 at 10 cents per share; 100,000 shares are to be taken up by Jan. 1, 1939, 100,000 shares by April 1, 1939, and balance by Jan. 1, 1940. Company was incorporated in March, 1937, with authorized capital of 3 million shares of which 750,007 have been issued.

* * *

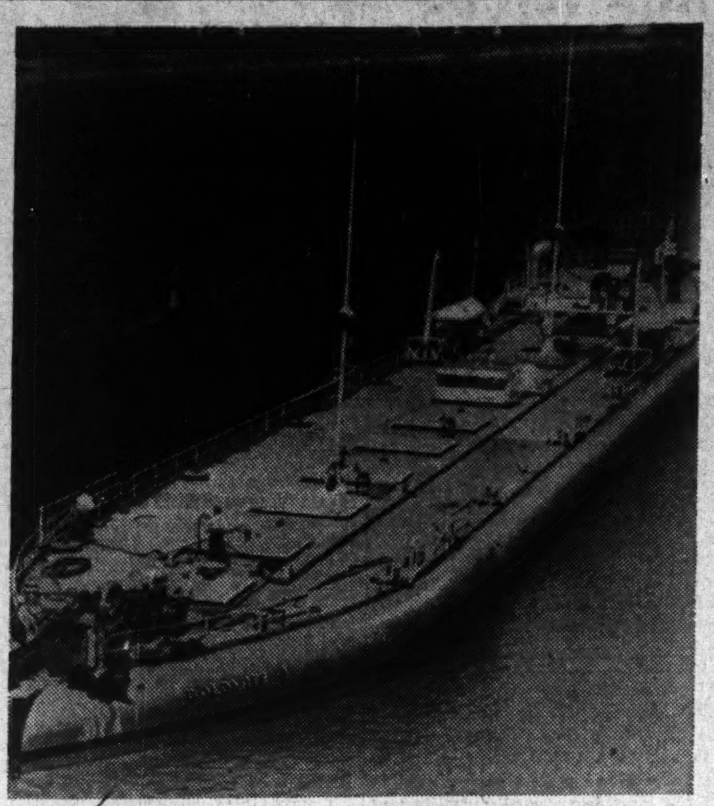
Central Duverny Gold Mines has had 800,000 shares registered for sale with the Securities Exchange Commission at Washington, at 60 cents per share with registration effective Dec. 4. According to the programme outlined to the commission, proceeds are to be used for a 50-ton pilot mill, diamond drilling, and the sinking of a shaft with lateral exploration.

* * *

Don Martic Gold Mines states that T. E. Johns purchased 55,800 shares at 5 cents per share under agreement of May 2 and agreement has been terminated.

* * *

Flobec Gold Mines sold 30,000 shares to Douglas M. Herdman for $1,500 on Dec. 1, and granted options of 970,000 shares as follows: 170,000 shares at 5 cents; and blocks of 200,000 shares each at 7, 10, 15, and 25 cents per share. Option payments are to be made $1,000 monthly to April 27, 1939; $3,500 by June 2, 1939; $4,000 a month thereafter until June 25, 1940. Authorized capital is 3 million shares with 1,389,477 issued.



MAY REVOLUTIONIZE BULK OIL TRANSPORT

Photo shows a new type tanker which will probably revolutionize oil transport in bulk. It is the Dolomite IV, recently built on this continent. Because its tanks are lined with nickel it can be easily and completely cleaned, permitting transport of wheat one trip, bulk petroleum the next.

* * *

Golden Arrow Mining Co. changed its name to Golden Arrow Mines Ltd., at a meeting held in Timmins on Friday. It is learned that important financial interests have offered to finance an intensive programme with work to start by April. A new report on property has been prepared by Lawrence B. Wright.

* * *

Galore is stated to have a drill of Auric Diamond Drilling Co., on property in southwest Deloro twp. Operations have been delayed, however, due to the difficulty of securing water at the site.

* * *

Hartford-MacClure Gold Mines optioned 1,995,000 shares to Kearns & Coristine of Windsor on Nov. 4, as follows: blocks of 100,000 shares each at 5, 10, 18 and 25 cents per share payable on or before Oct., 1939, and balance at 30 to 80 cents per share payable by Oct. 11, 1941. Authorized capital is 3 million shares with 1,000,005 issued.

* * *

Hollinger Consolidated has declared an extra dividend of 5 cents per share payable Dec. 31, 1938, to shareholders of record Dec. 16, along with regular four-weekly dividend of 5 cents per share. This brings total payment this year to $1.10 per share, the same as last year.

* * *

Hedley Mascot Gold Mines has intersected 25 ft. of ore in low level crosscut with first 15 ft. averaging $13.65. The ore body was encountered 125 ft. before the heading reached No. 42 drill hole. Drilling upward from crosscut at main haulage level has encountered width of 8 ft. averaging $10.85 per ton.

* * *

Janus Mines has granted three months extension to Chas. Hedwall under agreement of June 4 covering an option on 1,800,000 shares at 5 to 80 cents per share.

* * *

Kelly-Kirkland Mines is commencing diamond drilling, according to a report sent out to shareholders. Programme will be carried out under the direction of S. L. MacDonald, engineer.

* * *

Kootenay Florence Mining Co. faces foreclosure on its mine, equipment and machinery in Supreme Court of British Columbia. A meeting of shareholders is called for Dec. 15, to consider plans to protect company.

* * *

Lapa Cadillac Gold Mines is expected to place its new cyanide unit in operation before Christmas. Officials expect the new unit will raise mill tonnage to 250 or 300 tons daily with an improvement in extraction to 90 per cent from present 60%.

* * *

Manco Gold Mines states E. M. Hobson purchased 115,000 shares at 2 cents per share under his agreement now terminated.

* * *

Mineral Estates states no money was received under agreement of Aug. 16 with Spratt & Co., covering option on 50,000 shares at $1 to $2 per share and agreement has been terminated.

* * *

Minto Gold Mines has sold 38,000 shares, the balance of its treasury stock, at 3 cents net to the company; authority for issue was granted by Superintendent of Brokers of British Columbia. Issued capital is 3 million shares.

* * *

Matachewan Hub Pioneer Mines has assembled small pilot plant in Toronto which has now been placed in operation. It is to be used for research work in connection with a massive sulphide ore body indicated.

* * *

Malartic Gold Fields has received payment for an additional 50,000 shares at 65 cents per share under agreement with Nesbitt, Thomson & Co., Ltd., dated July 16, 1938. Balance of agreement comprises option on 200,000 shares at 65 cents per share and 250,000 shares at $1 per share. Issued capital is 3,550,000 shares.

* * *

New Darwin Gold Mines has completed survey and geological survey of its property, the former Darwin mine, and recommendations are now being awaited for programme of exploration. It is thought it will take form of extensive diamond drilling from underground.

* * *

Orenda Gold Mines optioned 800,000 shares to Merrill W. MacDowell on Nov. 28 as follows: blocks of 100,000 shares each at 10, 15, 20, 25, 30, 35, 40 and 45 cents per share payable 100,000 shares every three months commencing April 1, 1939. Authorized capital of the company is 3 million shares with 1,200,006 issued.

* * *

Payore Gold Mines has sold 20,000 shares to J. W. C. Rose for $1,150 and 4,000 shares to J. Edmond for $240. Issued capital is 4,457,502 shares.

* * *

Quebec Gold Mining Corp. has declared an initial dividend of 2 cents per share, payable Dec. 28, 1938, to shareholders of record Dec. 21.

* * *

Rand Malartic Mines has sent engineer to property adjoining Malartic Gold Fields and East Malartic to lay out programme of diamond drilling for north contact.

* * *

Red Lake Gold Shore Mines has notified shareholders to have their shares registered in their own names as stock in Hasaga Gold Mines will be allotted and issued (subject to pool) to shareholders of record Jan. 5, 1939. Red Lake Gold Shore certificates should be sent in to Trusts & Guarantee Co., Toronto, immediately after that date to secure interim receipts for Hasaga shares.

* * *

Stewart-Abate Gold Mines stated on Dec. 7 a six months' extension has been granted Mineral Resources Finance Co., under agreement of April 19; there were 1,065,000 shares optioned at 5 to 50 cents per share, of which 3,000 have been taken down with payment made.

* * *

St. Anthony Gold Mines reports 20,000 shares have been taken up at 17½ cents per share, comprising a portion of December 7 option installment, under the underwriting and option agreement of October 21 with Old Colony Securities Ltd. Balance of installment, comprising 55,000 shares at 17½ cents, and all subsequent installments have been extended for one month. Issued capital is 3,418,510 shares.

* * *

South African Rand production of gold for November reached 1,032,886 ozs. compared with 1,036,442 ozs. for October.

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Shenango Gold Mines plans the sinking of a two-compartment shaft following diamond drilling of the Uralite vein and the uncovering of two others.

* * *

Ventures and Toburn may participate in financing a new company which would be formed to take over 39 claims in Bristol twp., adjoining McAuley-Brydge property of Orpit. Ventures owns 23 of claims involved with balance held by Bristol-Porcupine Syndicate. Proposed development would take form of geophysical survey and diamond drilling.

* * *

Snow Shoe Gold Mines plans to drive an exploration tunnel at its property in the Cariboo area to seek the vein or veins which may have been source of the Keithley Creek placer deposit. A strong vein structure is already indicated, according to Fred M. Wells who is directing the enterprise. Authorized capital of the company is 3 million shares of which 1,453,405 shares are issued with 1,100,000 in escrow.

* * *

Upper Seine Gold Mines states on Aug. 2, W. L. Doyle & Co. purchased 63,000 shares at 15 cents per share and an extension of 50 days has been granted on future payments. Agreement covers total of 500,000 shares at 15 and 25 cents per share payable 100,000 shares every 60 days.

* * *

White-Guyatt Mining Company optioned 1,450,000 shares to Howcliffe Development & Finance Corp. Ltd., on Nov. 30 as follows: 280,000 shares at 5 cents per share; 340,000 shares at 10 cents per share; 330,000 shares at 15 cents per share and balance at 20, 25 and 30 cents payable $1,000 within 14 days and thereafter $1,000 monthly until Mar. 31, 1939, and thereafter $4,000 monthly. Authorized capital is 3 million shares, of which 1,025,005 are issued.

* * *

Wesley Gold Mines has cut several stringers of quartz in drill hole put down to depth of 1,050 ft. Samples are being sent for assay.

* * *

Wood Cadillac has ore in 301 east drift along the north contact with iron band; car and channel samples run from $15 to $24 per ton, according to Julius M. Cohen, consulting engineer.

* * *

Zonic-Larder Gold Mines is reported to be laying plans for programme of work this winter. A shaft has been sunk to a depth of 115 ft. and No. 2 vein is stated to show an ore width of 4 ft. where cut. Crosscutting will likely be done north and south toward other veins.

Sunbeam-Kirkland To Drill at Depth

No Definite Mill Plans Have Yet Been Announced

From Our Own Correspondent

WINNIPEG.—The raise from the first level to the surface was completed Monday at Sunbeam-Kirkland where the largest crew the mine has had is now operating. In addition to the raise from first to the surface, the raise from the third to the second level is already complete and from the second to the first is well under way. This will make a complete new opening from the third level to surface.

A crosscut is being put out on the fourth level which will extend to about 40 feet distant from the chimney of ore. From this a number of drill holes will be put down designed to cut the chimney at various depths and to give some indication as to the direction of its downward extension.

The raise, it is said on information from the property, which is in the section supposed to carry rather lean ore, and near the hanging wall of the chimney, considerably increases the original ore estimate because of the fact that sampling indicates ore of good average mine values.

No definite mill plans have been announced as yet. The eastern coterie financing the undertaking are apparently undecided as to whether to start off with a moderate sized milling plant or to carry on exploration work possibly to 800 feet to definitely determine its possibilities as a major mine operation.

Cariboo-Hudson Details Progress

Milling Started Nov. 14 — No Positive Ore Blocked Out

Milling operations at Cariboo-Hudson Gold Mines commenced on Nov. 14, W. B. Burnett, president, states in a progress report to shareholders. On Nov. 18, mill heads averaged $13 per ton and a week after milling commenced in the 100-ton mill 50 tons of ore daily were being put through the mill.

As the company is in exploratory stage of development, no attempt is planned to maintain an even grade of ore for milling and it is expected both quantity and average grade will vary widely as early work progresses. No estimate of blocked out ore, or ore in sight, can be made, officals state, as it is considered difficult and unduly costly to make certain of such estimate at the present stage. Assuming a width of 4 ft., however, it is estimated the Hudson ore area may contain between 5,000 and 6,000 tons of ore. Information is insufficient to estimate average value.

A 50-ton mill was originally planned for the property, but when it was found high-grade ore of $50 per ton value could not be expected to continue, it was decided capacity should be raised to 100 tons per day if milling operations were to be profitable. When faulting began to show on the ore in the lower level, it was decided to drive a tunnel 400 ft. below to cut the north-south faults and the ore body. This tunnel is nearing its objective.

Wood Brown Prospectors (Trust) has declared regular annual dividend of $25 per share payable Dec. 19, to shareholders of record Dec. 15.

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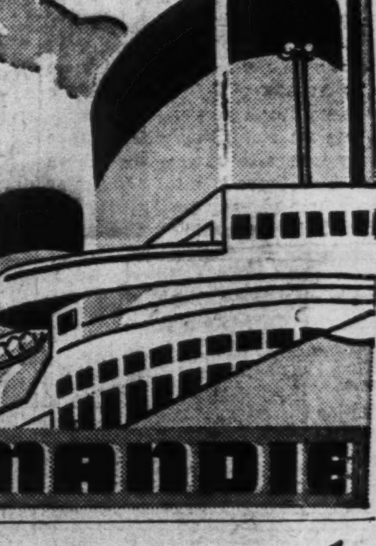

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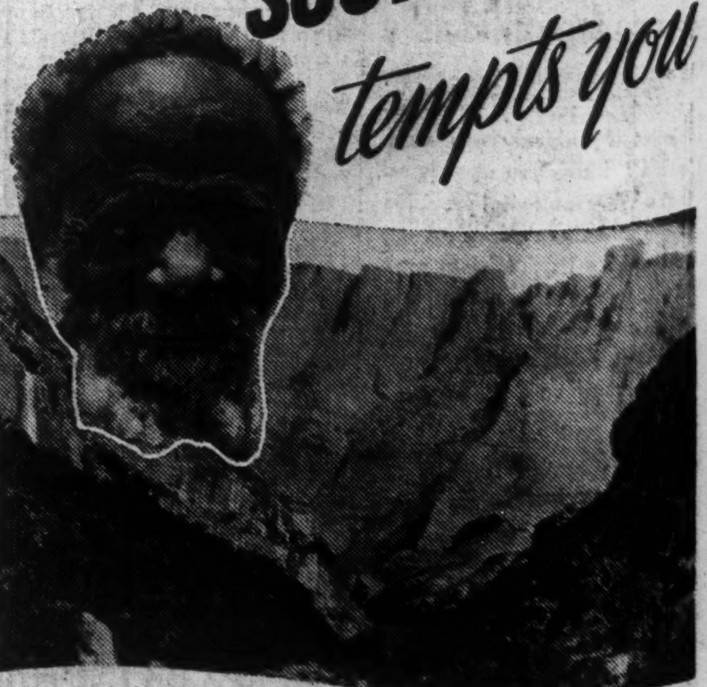

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